

**Foreign Exchange Management Act, 1999 -Providing housing loan in rupees to NRIs/PIOs
A.P. (DIR Series) Circular No.95 (Apr 26 2003)**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001**

A.P. (DIR Series) Circular No.95

April 26, 2003

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Foreign Exchange Management Act, 1999 -
Providing housing loan in rupees to NRIs/PIOs**

Attention of authorised dealers is invited to Regulation 8 of Notification No.FEMA 4/2000-RB dated May 3, 2000, in terms of which an authorised dealer or a housing finance institution in India approved by the National Housing Bank may provide housing loan to a non-resident Indian or a person of Indian origin resident outside India for acquisition of a residential accommodation in India subject to conditions indicated therein.

2. Reserve Bank has been receiving requests from certain institutions seeking permission for grant of loans to Non-Resident Indians for renovation/repairs/improvement to residential accommodation owned by them. The matter has been examined and it is now clarified that authorised dealers/housing finance institutions referred to above may grant loans to Non-Resident Indians (NRIs)/Persons of Indian Origin (PIOs) for purpose of repairs/renovation/improvement of residential accommodation owned by them in India.

3. Authorised Dealers may bring the contents of the circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager