



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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RBI/2011-12/238

UBD.BPD.(PCB). Cir.No.7/09.22.010/2011-12

October 31, 2011

The Chief Executive Officer,  
All Primary (Urban) Co-operative Banks.

Dear Sir / Madam,

**Revision in Limits of Housing Loans and Repayment Period - Second Quarter Review of Monetary Policy 2011-12**

Please refer to [Circular UBD.PCB.Cir.No.42/09.09.001/08-09 dated May 15, 2008](#) on Revision of Individual Housing Loan Limits and para 4(iii) of Circular UBD.P&O.108/UB.31-88/89 dated April 5, 1989 issued to the Registrar of Co-operative Societies, specifying the maximum permissible repayment period of housing loans granted by UCBs.

2. As announced in the Second Quarter Review of the Monetary Policy 2011-12 (para 89 - extract appended), it has been decided to permit Tier-I UCBs to extend individual housing loans upto a maximum of ₹30 lakh per beneficiary of a dwelling unit and Tier II UCBs to extend individual housing loans up to a maximum of ₹70.00 lakh per beneficiary of a dwelling unit subject to extant prudential exposure limits.

3. It has also been decided to enhance the maximum repayment period of housing loans granted by UCBs (including the period of moratorium or repayment holiday) from the present period of 15 years to 20 years.

4. All other instructions regarding grant of housing loans by UCBs remain unchanged.

Yours faithfully

(A. Udgata)

Chief General Manager- in- Charge

Encl:

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बैंक हिन्दी में पत्राचार का स्वागत करता है —



## **Extract of Second Quarter Review of Monetary Policy 2011-12**

### **Urban Co-operative Banks**

#### **Enhancement of Limit and Repayment Period of Housing Loan**

89. Based on the representations received from the urban co-operative banks (UCBs) and their associations, it is felt that there is a need to increase the maximum permissible limit of individual housing loans that can be granted by the UCBs, as also to increase the maximum repayment period for such loans. It is, therefore, proposed:

- **to increase the individual housing loan limit from ₹25 lakh to ₹30 lakh for Tier I UCBs and from ₹50 lakh to ₹70 lakh for Tier II UCBs, subject to extant prudential exposure limits; and**
- **to enhance the maximum repayment period of housing loans from the present period of 15 years to 20 years.**