



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

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April 12, 2012

The Chairman and Managing Director / Chief Executive Officer  
of member banks participating in NEFT

Madam / Dear Sir,

**National Electronic Funds Transfer (NEFT) - Acceptance of NEFT inward for credit to Loan Accounts**

National Electronic Funds Transfer launched in year 2005 has been working successfully over the years and occupies an important place in the payment system space. The system is meant for one-to-one funds transfer and can be used for transferring funds to beneficiaries (individual, institutions etc.) and no restrictions have been placed thereon. The phenomenal growth in the system, both in terms of branch coverage and volume / value of transactions handled reflects the acceptability and popularity of the system.

However, we have received some complaints from customers regarding non-acceptance of NEFT for credit to loan accounts causing inconvenience to them. On examination of the matter, it was observed that only a few banks were following this restrictive practice. These banks, however, were willingly taking ECS (Dr) as one of the modes for the repayment. It is, therefore, advised that all banks should allow the customers to choose NEFT also as one of the electronic modes of making payment towards loan EMIs / repayments etc.

Please acknowledge receipt and ensure compliance.

Yours faithfully

(Vijay Chugh)

Chief General Manager