



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2010-11/ 399

February 8, 2011

RPCD.SME & NFS. BC.No. 52 /06.11.01/2010-2011

The Chairman / Managing Director
All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/ Madam,

Scheme of 1% interest subvention on housing loans up to Rs. 10 lakh–

Please refer to our [circular RPCD.SME & NFS.BC. No. 16/06.11.01/2010-2011 dated August 09, 2010](#) and our letter RPCD.SME & NFS.No.4864 /06.11.01/2010-2011 dated October 20, 2010 conveying, inter alia, instructions pertaining to procedure for reimbursement of claims under the captioned Scheme.

2. We have since received further clarifications from Government of India as under which may be noted while submitting claims for reimbursement.

- a) Housing loans extended to Non Resident Indians (NRIs), for construction of farm houses and to staff members of the banks are not eligible for subsidy under the Scheme.
- b) While calculating the interest subsidy, each disbursement may be treated as a separate loan and for each disbursement, subsidy claim may be made for twelve instalments. For loans fully disbursed at one stroke, subsidy will be provided upfront on the entire amount of the loan disbursed. Subsidy has to be calculated for 12 months period from the date of disbursement of the loan following the reducing balance of EMI.
- c) Loans sanctioned prior to October 01, 2009 would not qualify for reimbursement under the Scheme.
- d) All SCBs should use their own funds for upfront credit of subsidy till the same is reimbursed by Government of India.

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e) Banks are advised to submit their claims in the prescribed format (excel) supplied by us, on a monthly basis in respect of all housing loans eligible for subsidy under the Scheme.

3. All SCBs are advised to implement the Scheme vigorously and the benefits of the Scheme may be provided to all eligible customers/beneficiaries expeditiously. Banks may also note to submit both hardcopy and soft copy of the claim format together.

4. Please acknowledge receipt.

Yours faithfully,

(B.P.Vijayendra)
Chief General Manager