



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

NHB (ND)/DRS/ Pol-No. 44 /2011-12
October 19, 2011

All Registered Housing Finance Companies (HFCs)


Dear Sirs,

**Uniformity in charging interest (floating
rate basis) for old and new Customers**

It has been observed that some of the housing finance companies are offering different floating rates of interest to their old and new customers. Several representations/complaints have been received by the National Housing Bank against such practice. We have carefully examined the issue in all its aspects. It is accordingly advised that the HFCs should ensure uniformity in rates, on floating rate basis, charged to their old and new customers, with the same risk profile, irrespective of the time of entry of the borrowers in the market. Charging of higher interest rate to the old customers against the new customers puts them to a great disadvantage, besides the practice being discriminatory. The practice also generally lacks in transparency and fairness.

2. For the growth of a healthy and sound housing finance system, it is considered necessary that pricing of the products by the lending institutions are transparent, non-discriminatory and objective.
3. In view of the foregoing, HFCs are advised to apply uniform rates of interest to the old and new borrowers, who have the same credit/risk profile. This may be implemented with immediate effect.
4. Please acknowledge receipt and ensure compliance.

Yours faithfully,


(R.S.Garg)

General Manager
Department of Regulation and Supervision