

By Speed Post

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राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

TO ALL REGISTERED HOUSING FINANCE COMPANIES.

Dear Sir/Madam,

Pre-payment penalty on pre-closure of housing loans

The issue of levying pre-payment penalty or pre-payment charges by housing finance companies on pre closure of housing loans by the borrowers out of their own sources has been considered by the National Housing Bank and it has been decided that housing finance companies should not charge prepayment levy or penalty in such cases.

2. It is, therefore, advised that pre-payment levy or penalty should not be collected from the borrowers when the housing loan is pre-closed by the borrowers out of their own sources. All HFCs are advised to ensure compliance of the above with immediate effect.

3. Please note that non-compliance with the above advisory may attract penal consequences under the National Housing Bank Act, 1987.

4. Please acknowledge receipt.

Yours faithfully,

(R.S.Garg)

General Manager

Department of Regulation and Supervision

भारतीय रिजर्व बैंक के संपूर्ण स्वामित्व में
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