



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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UBD.BPD. (PCB).Cir. No. 23/13.05.000/2010-11

November 15, 2010

The Chief Executive Officers of  
All Urban Co-operative Banks

Dear Sir/Madam,

**Exposure to Housing, Real Estate Sector and Commercial Real Estate – Urban Co-operative Banks**

Please refer to our [Circular UBD \(PCB\) BPD Cir. No. 69/09.22.010/2009-10 dated June 9, 2010](#). As announced in the Second Quarter Review of Monetary Policy 2010-11 (Para 95 - extract appended), it has been decided that the exposure of UCBs to housing, real estate and commercial real estate loans would, henceforth, be limited to 10 per cent of their total assets, instead of 15 per cent of deposits. The total assets may be reckoned based on the audited balance-sheet as on March 31 of the preceding financial year. However, the above ceiling of 10 per cent of total assets can be exceeded by an additional limit of 5 per cent of total assets for the purpose of grant of housing loans to individuals for purchase or construction of dwelling units costing up to Rs. 10 lakh. For reckoning total assets, losses, intangible assets, contra items like bills receivables etc. would be excluded.

2. The above limits of credit exposure to housing, real estate and commercial real estate would be applicable from the date of this circular. UCBs having exposure in

excess of the above limits may initiate steps to align their exposure to the revised limits within a period of six months from the date of this circular.

Yours faithfully

(A. Udgata)  
Chief General Manager-in-Charge

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**Second Quarter Review of Monetary Policy 2010-11 (Para No. 95)**

***Exposure of UCBs to Housing Loans***

95. At present, UCBs can provide housing, real estate and commercial real estate loans up to 15 per cent of their deposit resources as on March 31 of the previous year. It has now been decided to link housing, real estate and commercial real estate loans of UCBs to their total assets instead of deposits. Accordingly, it is proposed :

- to replace the existing limit of 15 per cent of deposits for housing, real estate and commercial real estate loans by a limit of 10 per cent of total assets; and
- an additional limit of 5 per cent of total assets will be available for housing loans granted to individuals by the UCBs for purchase / construction of dwelling units up to Rs. 10 lakh.

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शहरी बैंक विभाग, केन्द्रीय कार्यालय, गारमेट हाउस, पहली मंजिल, वरली, मुंबई - 400 018  
फोन: 022 - 2493 9930 - 49, फैक्स: 022 - 2497 4030 / 2492 0231, ई मेल: cgmincubd@rbi.org.in

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Urban Banks Department, Central Office, 1 Floor, Garment House, Worli, Mumbai - 400 018  
Phone: 022 - 2493 9930 - 49, Fax: 022 - 2497 4030 / 2492 0231, Email: cgmincubd@rbi.org.in