

RESERVE BANK OF INDIA

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RBI/2011-12/527 RPCD.CO RRB. BC.NO.74 /03.05.33/2011-12

April 27, 2012

The Chairmen
All Regional Rural Banks (RRBs)

Dear Sir,

Priority Sector Lending-Indirect Finance to Housing Sector

Please refer to paragraph 7.4 of our <u>circular RPCD.No. RRB.BC.20/03.05.33/2007-08</u> <u>dated August 22, 2007</u> on lending to priority sector.

- 2. Pursuant to the announcement made by Union Finance Minister in the Union Budget for the year 2012-13, it has been decided to increase the limit from Rs.5 lakh to Rs.10 lakh for the bank loans extended to non-governmental agencies, approved by NHB for their refinance, for on-lending for the purpose of construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers.
- 3. The revised limit is applicable to the bank loans sanctioned from the date of this circular.
- 4. Please acknowledge receipt of the circular to our Regional Office concerned.

Yours faithfully,

(C. D. Srinivasan) Chief General Manager