



भारतीय रिज़र्व बैंक

-----RESERVE BANK OF INDIA-----

www.rbi.org.in

RBI/2013-14/612

RPCD.CO.RCBD.RRB.BC.No.102/07.51.013/2013-14

May 27, 2014

The Chairman

All State and Central Co-operative Banks (StCBs and CCBs)

All Regional Rural Banks (RRBs)

Dear Sir/Madam

Levy of foreclosure charges/pre-payment penalty on Floating Rate Term Loans

Please refer to our [circulars RPCD.CO.RCBD.BC.No.84/03.03.01/2011-12 dated June 15, 2012](#) addressed to StCBs and CCBs and [RPCD.CO.RRB.BC.No.85/03.05.033/2011-12 dated June 18, 2012](#) addressed to RRBs on 'Home Loans - Levy of Fore-closure Charges/ Pre-payment Penalty'.

2. A reference is invited to [Part B of the First Bi-monthly Monetary Policy Statement 2014-15 announced on April 1, 2014](#) proposing certain measures for consumer protection. It was indicated that in the interest of their consumers, banks should consider allowing their borrowers the possibility of prepaying floating rate term loans without any penalty. Accordingly, it is advised that StCBs, CCBs and RRBs will not be permitted to charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to *individual borrowers*, with immediate effect.

Yours faithfully,

(A. Udgata)

Principal Chief General Manager

ग्रामीण आयोजना और ऋण विभाग,केंद्रीय कार्यालय, 10वीं मंज़िल,केंद्रीय कार्यालय बिल्डिंग,शहीद भगत सिंह मार्ग,पो.बा.सं.10014,मुंबई 400 001

टेलीफोन:Tel No.: 022-22610261/ फेक्स: 022-22610943 ईमेल: audgata@rbi.org.in

Rural Planning & Credit Department,Central Office,10th Floor,Central Office Building,Shahid Bhagat Singh Marg,P.Box No.10014, Mumbai 400 001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी :-मेल रिज़र्व बैंक द्वारा डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.