



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2019-20/176

DOR.No.BP.BC.41/08.12.014/2019-20

March 17, 2020

All Scheduled Commercial Banks  
(excluding RRBs)

Madam / Dear Sir,

**Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing**

Please refer to the [circular DBOD.BP.BC.No.25/08.12.014/2014-15 dated July 15, 2014](#) and subsequent circulars on the above subject. Also refer to the [circular DBR.BP.BC.No.42/08.12.014/2016-17 dated December 1, 2016](#) advising that for the purpose of definition of 'Infrastructure Lending', banks and select All India Term-Lending and Refinancing Institutions may be guided by the Gazette Notifications issued by the Department of Economic Affairs, Ministry of Finance, Government of India, from time to time.

2. For the purpose of [circular dated July 15, 2014](#) mentioned above, 'Infrastructure Sub-sectors' and 'affordable housing' have been defined under paragraphs 2(i) and 2(ii) of the Annex therein. Affordable housing<sup>1</sup> has since been included in the harmonised master list (HML) of infrastructure subsectors issued vide gazette notification dated March 30, 2017. For lending to infrastructure sector, banks/FIs shall continue to follow the definition of affordable housing projects as per the definition in the HML, as amended from time to time.

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<sup>1</sup> "Affordable Housing" is defined as a housing project using at least 50% of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area@ of not more than 60 square meters.  
@ "Carpet Area" shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016.

3. On account of inclusion of affordable housing under the HML, it has now been decided to align the definition of lending to affordable housing under the above-mentioned [circular dated July 15, 2014](#) with the definition provided in the HML of infrastructure subsectors. Accordingly, for the purpose of issue of long terms bonds, it is advised as under:

<b>Lending to affordable housing for individual units</b>	
<b>Existing definition</b>	<b>Revised definition</b>
Housing loans eligible under priority sector lending by the RBI (please see the Appendix to the <a href="#">circular dated July 15, 2014</a> and as updated from time to time), and also housing loans to individuals upto Rs. 50 lakhs for houses of values upto Rs. 65 lakhs located in the six metropolitan centres viz. Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad and Rs. 40 lakhs for houses of values upto Rs. 50 lakhs in other centres for purchase/construction of dwelling unit per family.	Housing loans eligible to be classified under priority sector lending (as updated from time to time) and housing loans to individuals for acquiring dwelling units within the prescribed threshold under the affordable housing definition in the HML.

4. All other instructions on issue of long term bonds and lending to infrastructure sector remain unchanged.

Yours faithfully,

(Saurav Sinha)  
Chief General Manager in-charge