


	<b>प्रेस प्रकाशनी PRESS RELEASE</b>
<p>संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001</p> <p>DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001</p> <p>फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279</p>	 <p><b>भारतीय रिज़र्व बैंक</b> <b>RESERVE BANK OF INDIA</b></p> <p>वेबसाइट : <a href="http://www.rbi.org.in/hindi">www.rbi.org.in/hindi</a> Website : <a href="http://www.rbi.org.in">www.rbi.org.in</a> ई-मेल email: <a href="mailto:helpdoc@rbi.org.in">helpdoc@rbi.org.in</a></p>

November 17, 2008

### Short-term Foreign Currency Borrowings by Housing Finance Companies

As announced in para 4(iv) of the Press Release dated the November 15, 2008 and as a temporary measure, it has been decided to permit Housing Finance Companies, registered with National Housing Bank (NHB) to raise short-term foreign currency borrowings, under the approval route, subject to the following conditions:

- i) **Eligibility:** Housing Finance Companies, complying with capital adequacy norms and other prudential norms laid down by National Housing Bank.
- ii) **Eligible lenders:** Multilateral or bilateral financial institutions, reputed regional financial institutions and foreign equity holders with minimum direct equity holdings of 25 per cent.
- iii) **End-use:** The resources should be used only for refinancing the short-term liabilities and no fresh assets should be booked out of the resources.
- iv) **Maturity:** The maximum maturity should not exceed three years.
- v) **Amount:** The maximum amount should not exceed 50 per cent of the NOF or USD 10 million (or its equivalent), whichever is higher.
- vi) **All-in-cost ceiling:** The all-in-cost ceiling should not exceed 6 months Libor + 200 bps (for the respective currency of borrowing or applicable benchmark)
- vii) The borrowings should be fully swapped into Rupees for the entire maturity.

Housing Finance Companies proposing to avail of the facility should apply to the Chairman and Managing Director, National Housing Bank, Core 5 A, India Habitat Centre, Lodhi Road, New Delhi - 110003 with full details for necessary approval.

**Alpana Killawala**  
Chief General Manager

**Press Release : 2008-2009/700**