



NATIONAL HOUSING BANK

Wholly Owned by Reserve Bank of India

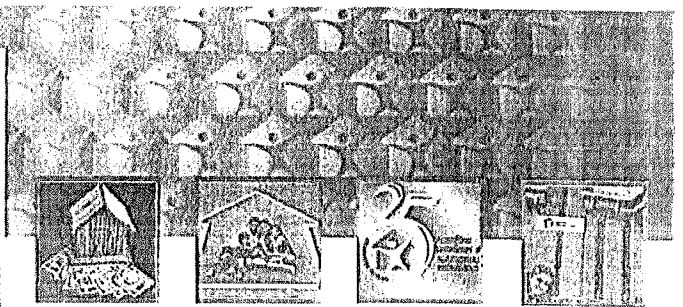
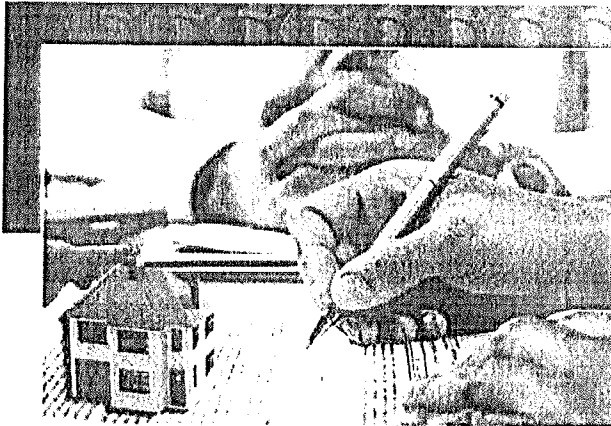
Text Version

हिन्दी साइट

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Registration

FAQ
<p>1 - What is a Housing Finance Company (HFC)? A Housing Finance Company is a company registered under the Companies Act, 1956 (1 of 1956) which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly.</p>
<p>2 - What are the requirements for commencing housing finance business by an HFC under the NHB Act? For commencing the housing finance business, an HFC is required to have the following in addition to the requirements under the Companies Act, 1956:</p> <ol style="list-style-type: none"> 1. Certificate of registration from NHB 2. Minimum net owned fund of Rs 1000 lakhs (w.e.f. 01.04.2014)
<p>3 - Whether an HFC requires registration from NHB apart from Registrar of Companies? Yes. An HFC also requires registration with NHB for commencing or carrying on the business of housing finance.</p>
<p>4 - Is it necessary that every HFC should be registered with NHB? In terms of Section 29A of the National Housing Bank Act, 1987, no Housing Finance Company shall commence or carry on the business of a housing finance institution without -</p> <ol style="list-style-type: none"> 1. obtaining a certificate of registration from National Housing bank issued under Chapter V of the said Act, and 2. having the net owned fund of twenty five lacs rupees or such other higher amount, as the National Housing Bank may, by notification, specify. <p>NHB, in exercise of its powers have from time to time specified the net owned fund requirements and w.e.f. April 1, 2014, the said requirement is Rs. 10 crore.</p>
<p>5 - Whether an HFC can conduct business without obtaining certificate of registration from NHB? No. HFCs cannot conduct business of housing finance without obtaining a certificate of registration from NHB. Conduct of business without obtaining certificate of registration is an offence punishable under the provisions of the National Housing Bank Act, 1987. NHB can also file application for winding up of such HFCs.</p>
<p>6 - What is the procedure for application to the NHB for Registration? The applicant company is required to submit a physical copy of the application (in duplicate) along with the necessary documents to the Head Office of the National Housing Bank. The application can be viewed and downloaded from NHB's website http://www.nhb.org.in/Regulation/applicaioncr.php. Application should be made in the prescribed form only.</p>
<p>7 - What are the requirements for registration with NHB? A company registered under the Companies Act, 1956 and desirous of commencing business of a housing finance institution, should comply with the following-</p> <ol style="list-style-type: none"> 1 either it should primarily transacts or has as one of its principal objects of transacting the business of providing finance for housing, whether directly or indirectly; and

Company Secretary

2. Imposition of ceiling on the rate of interest on deposits
3. Provision for nomination facility
4. Requirement of disclosures to the depositors
5. Imposition of ceiling on brokerage to be paid by HFC for raising deposits
6. Prohibition on alienation of assets in case of default in repayment of deposits
7. Requirement of maintenance of Liquid Assets by HFC
8. Creation of Reserve Fund
9. Collection of data periodically to verify compliance with the provisions of the NHB Act and directions by an HFC to ensure its soundness

Other FAQs

Frequently Asked Questions

1. What is the role of NHB?

NHB regulates the housing finance system of the country, extends refinance to different primary lenders and lends directly in respect of projects undertaken by public housing agencies for housing construction and development of housing related infrastructure

2. Is NHB a Government owned Bank or a private Bank?

National Housing Bank is a statutory organization set up on July 9, 1988 under the National Housing Bank Act, 1987. NHB is wholly owned by Reserve Bank of India, which contributed the entire paid-up capital.

3. Does NHB deal directly with public?

No.

4. Whether NHB provides direct loans?

NHB grants direct loans to Public Agencies directly or in partnership with private developers under PPP model to development of housing projects as per the Schemes/Guidelines of NHB.

5. Can I get Individual housing loan/mortgage loan/reverse mortgage loan from National Housing Bank?

NHB does not grant any loan directly to individual.

6. What is a Housing Finance Company (HFC)?

A Housing Finance Company is a company registered under the Companies Act, 1956 (1 of 1956) which primarily transacts or has as one of its principal objects, the transacting of the business of providing finance for housing, whether directly or indirectly.

7. What are the requirements for commencing housing finance business by an HFC under the NHB Act?

For commencing the housing finance business, an HFC is required to have the following in addition to the requirements under the Companies Act, 1956:

- a. Certificate of registration from NHB
- b. Minimum net owned fund of Rs. 1000 lakhs (w.e.f. 01.04.2014)

8. What is the procedure for application to the NHB for Registration?

The applicant company is required to submit a physical copy of the application (in duplicate) along with the necessary documents to the Head Office of the National Housing Bank. The application can be viewed and downloaded from NHB's website <http://www.nhb.org.in/Regulation/applicationcr.php>

Application should be made in the prescribed form only.

9. Is it necessary that every HFC should be registered with NHB?

In terms of Section 29A of the National Housing Bank Act, 1987, no Housing Finance Company shall commence or carry on the business of a housing finance institution without -

1. obtaining a certificate of registration from National Housing Bank issued under Chapter V of the said Act, and
2. having the net owned fund of twenty five lakhs rupees or such other higher amount, as the National Housing Bank may, by notification, specify.

NHB, in exercise of its powers have from time to time specified the net owned fund requirements and w.e.f. April 1, 2014, the said requirement is Rs. 10 crore

10. What are the different categories of HFCs registered with NHB? Where can one find list of Registered HFCs and instructions issued to HFCs?

HFCs are categorized in terms of the type of liabilities, by NHB, into Deposit and Non-Deposit accepting HFCs and are issued Certificate of Registration accordingly. The list of registered HFCs is available on NHB's website and can be viewed at

1. <http://www.nhb.org.in/Regulation/RegisteredCompanies.php>; and
2. <http://www.nhb.org.in/Regulation/NonValidCompanies.php>.

11. What is the Grievance Redressal Mechanism in place for customers of HFCs regulated by NHB?

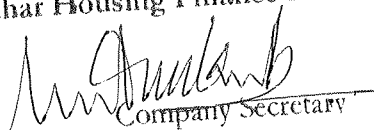
Complainant can lodge the complaint with the respective housing finance company (HFC) as envisaged in the Fair Practices Code adopted by the concerned HFC. An online (24x7) Grievance Registration and Information Database System (GRIDS) has been implemented for lodging the complaint by the complainant against HFCs and its status tracking for efficient and effective disposal. Further, if the complainant is still not satisfied with the outcome or his complaint is not resolved within a given period, he/she can approach other forms of legal remedies available.

12. List of HFCs which can take possession of the property under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in case of defaults in repayment of loans?

As on 25-07-2014, the list of HFCs notified as 'Financial Institution' under sub-clause(iv) of clause (m) of sub-section (1) of Section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, by the Government of India, Ministry of Finance, Department of Financial Services are as below:

S.N.	Name of HFC
1.	Can Fin Homes Limited
2.	Cent Bank Home Finance Limited
3.	

For Aadhar Housing Finance Ltd.


Company Secretary

	Dewan Housing Finance Corporation Limited
4	DHFL Vysya Housing Finance Limited
5	GIC Housing Finance Limited
6	GRUH Finance Limited
7	Housing Development Finance Corporation Limited
8	IGICI Home Finance Company Limited
9	Ind Bank Housing Limited
10	India Infoline Housing Finance Limited
11	Indiabulls Housing Finance Limited
12	L & T Housing Finance Limited
13	LIC Housing Finance Limited
14	Manipal Housing Finance Syndicate Limited
15	National Trust Housing Finance Limited
16	PNB Housing Finance Limited
17	Religare Housing Development Finance Corporation Limited
18	Repro Home Finance Limited
19	Sundaram BNP Paribas Home Finance Limited

In addition, HUDCO is also covered under the above provisions, since it is a notified public financial institution.

13. Where can one find list of companies whose application for certificate of registration have been declined/ rejected/ rejected as withdrawn/ cancelled by NHB?

The list of such companies is available on NHB's website and can be viewed at <http://www.nhb.org/infRegulation/Rejected/Compnies.php>.

14. Whether NHB can cancel the Certificate of Registration granted to a HFC, and if so under what circumstances? In terms of sub-section (5) of Section 29 A of the National Housing Bank Act, 1987, NHB may cancel a certificate of registration granted to a housing finance company, subject to certain provisions, if such company

1. ceases to carry on the business of a housing finance institution in India; or
2. has failed to comply with any condition subject to which the certificate of registration had been issued to it; or
3. at any time fails to fulfil any of the conditions referred to in clauses (a) to (g) of sub-section (4) of Section 29A of the National Housing Bank Act, 1987; or
4. fails-

(a) to comply with any direction issued by the National Housing Bank under the provisions of Chapter V of the National Housing Bank Act, 1987; or

(b) to maintain accounts in accordance with the requirement of any law or any direction or order issued by the National Housing Bank under the provisions of Chapter V of the National Housing Bank Act, 1987; or

(c) to submit or offer for inspection its books of account and other relevant documents when so demanded by an inspecting authority of the National Housing Bank; or

v. has been prohibited from accepting deposit by an order made by the National Housing Bank under the provisions of this Chapter V of the National Housing Bank Act, 1987 and such order has been in force for a period of not less than three months

15. What are the appeal procedure available to a company, aggrieved by the order of cancellation of certificate of registration or rejection of application for registration?

An aggrieved company may prefer an appeal (in terms of sub-section (7) of Section 29 A of the National Housing Bank Act, 1987), within a period of thirty days from the date on which such order of rejection or cancellation is communicated to it, to the Central Government

16. HFCs are doing functions similar to banks as bank also provides housing loans. What is difference between banks & HFCs?

HFCs lend and make investments and hence their activities are akin to that of banks. However, there are a few differences as given below:

1. HFCs cannot accept demand deposits;
2. HFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
3. deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of HFCs, unlike in case of banks.

17. How to avail refinance from NHB?

Refinance Schemes of NHB as applicable to various category of Primary Lending Institutions (PLIs) viz, Scheduled Banks (including RRBs), HFCs, ACHFS and ARDBs etc., along with the eligibility conditions to avail refinance are available at NHB's website. PLIs desirous of availing refinance may send their applications as per the prescribed format for sanction of annual refinance limit (July-June)

18. What are the indicative rates of Refinance?

For Aadhar Housing Finance Ltd.


Company Secretary



भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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NEW DELHI, FRIDAY, DECEMBER 18, 2015/AGRAHAYANA 27, 1937

वित्त मंत्रालय

(वित्तीय सेवाएं विभाग)

अधिसूचना

नई दिल्ली, 18 दिसम्बर, 2015

का.आ. 3466(ब).—वित्तीय आस्तियों का प्रतिभूतिकरण एवं पुनर्गठन तथा प्रतिभूति हित का प्रवर्तन अधिनियम, 2002 (2002 का 54) की धारा 29क की धारा 2 की उप-धारा (1) के खंड (ड) के उप-खंड (iv) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्रीय सरकार, एतद्वारा, राष्ट्रीय आवास बैंक अधिनियम, 1987 के अंतर्गत पंजीकृत की गई निम्नलिखित हाउसिंग वित्त कंपनियों, जिनकी अंतिम लेखापरीक्षित तुलन-पत्र के अनुसार टीयर-I पूंजी दस करोड़ रुपए या इससे अधिक है, को सरफासी अधिनियम के कथित उप-खंड के प्रयोजन हेतु 'वित्तीय संस्था' के रूप में निर्दिष्ट करती है:—

क्रम सं.	हाउसिंग कंपनी का नाम
1	आधार हाउसिंग फाइनेंस लिमिटेड
2	आदित्य बिरला हाउसिंग फाइनेंस लिमिटेड

[भाग II—खण्ड 3(ii)]

भारत का राजपत्र : असाधारण

MINISTRY OF FINANCE

(Department of Financial Services)

NOTIFICATION

New Delhi, the 18th December, 2015

CERTIFIED TRUE COPY

For Aadhar Housing Finance Ltd.

Company Secretary

S.O. 3466 (E).—In exercise of the powers conferred by sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) (SARFAESI Act), the Central Government hereby specifies the following housing finance companies registered under Sub-section (5) of Section 29-A of National Housing Bank Act, 1987 and with Tier I capital of Rupees ten crores and above as per their latest audited balance sheet to be treated as "financial institution" for the purpose of the said sub-clause of SARFAESI Act.

Sl. No.	Name of the Housing Company
1.	AADHAR HOUSING FINANCE LIMITED
2.	ADITYA BIRLA HOUSING FINANCE LIMITED