

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2700

ANSWERED ON:09.12.2011

PREPAYMENT PENALTY ON HOME LOANS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand  
Prakash;Sugumar Shri K. ;Sukur Shri Jadhav Baliram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has directed banks to stop charging penalties for prepayment of home loans ahead of schedule to ensure a level-playing field between banks and Housing Finance Companies (HFCs) in the recent past;
- (b) if so, the details thereof;
- (c) whether some private sector banks particularly HDFC Ltd. are not following the RBI guidelines in this regard; and
- (d) if so, the details thereof and the reasons thereof alongwith action taken against such banks?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

- (a): Reserve Bank of India (RBI) has informed that no such circular has been issued to banks.
- (b) to (d): In view of (a) above does not arise.