

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7055

ANSWERED ON:18.05.2012

HOUSING LOAN

Gawali Patil Smt. Bhavana Pundlikrao ;Nagorao Shri Dudhgaonkar Ganeshrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/ Reserve Bank of India (RBI) has reportedly instructed the Public Sector Banks (PSBs) to create obstacles before actually providing housing loan to customers;
- (b) if so, the details thereof and reasons therefor;
- (c) if not, the reasons for delays cases taking place in granting home loans by the PSBs; and
- (d) the measures proposed to be taken to ensure hassle free delivery of housing loan to customers?

Answer

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

(a): No, Sir.

(b) & (c): Does not arise.

(d): Reserve Bank of India (RBI) has reported that sanction of loans and advances and recovery thereof, are essentially internal functions and each bank's Boards are authorised to frame their loan policies. RBI has advised the banks to prepare a well-defined loan policy approved by their Board of Directors which should lay down exposure limits to individual/ group borrowers, documentation standards, margin, security, sectoral exposure limits, delegation of powers, maturity and pricing policies, factors taken into consideration for deciding interest rates etc. Further, RBI has issued Guidelines on Fair Practices Code (FPC) for Lenders which are required to be adopted by the banks while framing the FPC for their bank with the approval of their Boards.