

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6918
ANSWERED ON:08.05.2015
LOAN FOR LOW COST HOUSES
Gutha Shri Sukender Reddy

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) relaxed the guidelines for granting loans to low-cost houses; and
- (b) If so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (JAYANT SINHA)

(a) to (b): RBI, vide circular DBR.BP.BC.No.74/08.12.015/2014-15 dated March 5, 2015 on "Housing Loans: Review of Instructions" has allowed banks to add stamp duty, registration and other documentation charges to the cost of the house/ dwelling unit for the purpose of calculating Loan To Value (LTV) ratio, in cases where the cost of the house/ dwelling unit does not exceed Rs.10 lakh. This has been done with a view to encourage availability of affordable housing to borrowers from economically weaker sections (EWS) and low income groups (LIG).