

RBI CIRCULAR

RBI/2010-11/533

No. RPCD.CORRB.No.71 /03.05.33/2010-11

Dated 16th May, 2011

The Chairman

All Regional Rural Banks (RRBs)

Increase In Housing Loan Limit Under Priority Sector

Please refer to paragraph 7.1 of our circular RPCD.No.RRB.BC.20/03.05.33/2007-08 dated August 22, 2007 on lending to Priority Sector, wherein loans up to Rs.20 lakh irrespective of location, to individuals for purchase / construction of dwelling unit per family, excluding loans granted by banks to their own employees are eligible for classification under priority sector.

2. Pursuant to the announcement made by Union Finance Minister in paragraph 44 of the budget for the year 2011-12, it has been decided to increase the above limit from Rs.20 lakh to Rs.25 lakh.

3. The above change will be applicable to housing loans sanctioned on or after April 1, 2011.

4. Please acknowledge receipt of the circular to our Regional Office concerned.

Sd/-

(C.D.Srinivasan)

Chief General Manager