RBI/2010-11/517
RPCD.CO.Plan.BC.69/04.09.01/2010-11

The Chairman/Managing Director/
Chief Executive Officer
[All Scheduled Commercial Banks (excluding Regional Rural Banks)]

Dear Sir/ Madam,

**Housing Loan limit under priority sector**

Please refer to paragraph 6.1 of our master circular RPCD.CO.Plan.BC.10/04.09.01/2010-11 dated July 1, 2010 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.

Yours faithfully,

(A.K.Misra)
General Manager

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