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**RESERVE BANK OF INDIA**

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RBI/2020-21/56

DOR.No.BP.BC.24/08.12.015/2020-21

October 16, 2020

All Scheduled Commercial Banks  
(Including Small Finance Banks,  
Excluding Local Area Banks and Regional Rural Banks)

Dear Sir/Madam,

**Individual Housing Loans – Rationalisation of Risk Weights**

Please refer to paragraph 6 of the [Statement on Developmental and Regulatory Policies dated October 9, 2020](#) on rationalization of risk weights on Individual Housing Loans.

2. In terms of [circular No. DBR.BP.BC.No.72/08.12.015/2016-17 dated June 7, 2017](#), the capital charge for claims secured by residential property falling under the category of individual housing loans is assigned differential risk weights based on the size of the loan as well as the loan to value ratio (LTV).

3. As a countercyclical measure, it has been decided to rationalise the risk weights, irrespective of the amount. The risk weights for all new housing loans to be sanctioned on or after the date of this circular and upto March 31, 2022 shall be as under:

LTV Ratio (%)	Risk Weight (%)
≤ 80	35
> 80 and ≤ 90	50



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4. The requirement of standard asset provision of 0.25% shall continue to apply on all such loans.

5. The LTV ratios, Risk Weights and Standard Asset Provision for all loans sanctioned prior to the date of this circular shall continue to be as prescribed in terms of the [circular dated June 7, 2017](#).

6. All other instructions applicable in terms of the [circular dated June 7, 2017](#) remain unchanged

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager



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