



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI 2012-13/ 476

DBOD.No.BP.BC-90/21.04.048/2012-13

April 16, 2013

The Chairman and Managing Director/
Chief Executive Officer of
All Scheduled Commercial Banks (excluding RRBs & LABs)

Dear Sir,

Advances guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) – Risk Weights and Provisioning

The Ministry of Housing & Urban Poverty Alleviation, Government of India has set up the CRGFTLIH vide their Notification No.O-17034/122/2009-H dated June 21, 2012. On the issue of assignment of appropriate risk weight for loans guaranteed by CRGFTLIH and prescription of requisite provisioning norms for such loans on the lines of credit facilities guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises, it has been decided as under:

i) **Risk weight**

Banks may assign zero risk weight for the guaranteed portion. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as appropriate to the counter-party.

ii) **Provisioning**

In case the advance covered by CRGFTLIH guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion should be provided for as per the extant guidelines on provisioning for non-performing advances.

Yours faithfully,

(Chandan Sinha)
Chief General Manager-in-Charge

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, 12वीं मंजिल, शहीद भगत सिंह मार्ग, मुंबई – 400001

Department of Banking Operations and Development, Central Office, 12th Floor, Shahid Bhagat Singh Marg, Mumbai - 400001

Tel No: 22661602 Fax No: 22705691 Email ID: cgmicdbodco@rbi.org.in

हिंदी आसान हैं, इसका प्रयोग बड़ाइए