भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2019-20/30

DNBR (PD) CC.No.101/03.10.001/2019-20 August 02, 2019

All NBFCs

Madam / Dear Sir,

Levy of foreclosure charges/pre-payment penalty on Floating Rate Loans by NBFCs

Please refer to paragraph 30(4) of Chapter VI of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and paragraph 30(4) of Chapter V of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 on waiver of foreclosure charges/ prepayment penalty on all floating rate term loans sanctioned to individual borrowers.

2. It is clarified that NBFCs shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

3. The Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 have accordingly been updated.

Yours faithfully,

(Manoranjan Mishra)
Chief General Manager

गैरबैंकिंगविनियमनविभाग ,केन्द्रीयकार्यालय,2रीमंजिल,सेंटर1,विश्वव्यापारकेंद्र, कफ परेड,मुंबई-400005,भारत
फोन: (+91-22) 22161940फैक्स:(91-22) 22150540, Email: cgmdnbrco@rbi.org.in
Department of Non-Banking Regulation, Central Office, 2nd Floor, Centre-I, World Trade Centre, Cuffe Parade, Colaba, Mumbai – 400005, India
Tel.: (+91-22) 22161940 Fax: (91-22) 22150540, Email: cgmdnbrco@rbi.org.in

हिंदीआसानहै, इसकाप्रयोगबढाइये।