



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

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

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हिंदी आसान है, इसका प्रयोग बढ़ाइये।