



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2013-14/603

UBD. CO. BPD. PCB. Cir. No. 64 /12.05.001/2013-14

May 26, 2014

The Chief Executive Officers of
All Primary (Urban) Co-operative Banks

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

Please refer to our [circular UBD.BPD \(PCB\).Cir.No.41/12.05.001/2011-12 dated June 26, 2012](#) on 'Home Loans- Levy of Fore-closure Charges/ Pre-payment Penalty by UCBs'.

2. A reference is invited to [Part B of the First Bi-monthly Monetary Policy Statement 2014-15 announced on April 1, 2014](#) proposing certain measures for consumer protection. It was indicated that in the interest of their consumers, banks should consider allowing their borrowers the possibility of prepaying floating rate term loans without any penalty. Accordingly, it is advised that urban cooperative banks will not be permitted to charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to *individual borrowers*, with immediate effect

Yours faithfully,

(A. K. Bera)
Principal Chief General Manager

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हिंदी आसान है, इसका प्रयोग बढ़ाइए—

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्ति की जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।
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