



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

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DNBS.PD.CC.No.372 /3.10.01/2013-14

March 24, 2014

All NBFCs excluding Primary Dealers (PDs)

Dear Sirs,

Revision to the Guidelines on Securitisation Transactions - Reset of Credit Enhancement

Reference is drawn to the Company circular [DNBS.PD.No.301/3.10.01/2012-13, dated August 21, 2012](#), wherein it was indicated that a separate circular would be issued in due course on reset of credit enhancements in case of securitisation transactions.

2. Guidelines on reset of credit enhancement has been since issued to banks by the Bank vide circular ref:[DBOD.No.BP.BC-25/21.04.177/2013-14, dated July 1, 2013](#). The guidelines cover in detail the manner in which such reset could be carried out subject to the conditions prescribed therein. It has been decided to extend the applicability of these instructions to securitization transactions undertaken by NBFCs as well.

3. In respect of the transactions already entered into in terms of circular dated DNBS.PD.No.301/3.10.01/2012-13, dated August 21, 2012, reset can be carried out subject to the consent of all investors of outstanding securities. In respect of the transactions entered into prior to August 2012 guidelines, the stipulation pertaining to MRR will also have to be complied with in addition to other conditions for reset of CE mentioned in this circular.

Yours faithfully,

(N. S. Vishwanathan)
Principal Chief General Manager