

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:648

ANSWERED ON:24.11.2006

HOUSING LOAN

Chaudhary Shri Pankaj;Chaure Shri Babu Hari;Gawali Smt. Bhavana Pundlikrao;Yerrannaidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/Reserve Bank of India (RBI) has directed that before providing housing loans, banks must take an affidavit from the applicant regarding legitimacy of the property to check the transaction of illegal property;

(b) if so, the details alongwith guidelines issued in this regard; and

(c) the likely impact on housing loan as a result thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Yes, Sir. In pursuance of orders of Hon`ble High Court of Delhi in the writ petition by Ka1yan Sansthan Welfare Organisation, Reserve Bank of India has issued insxuctions to all Scheduled Commercial Banks on November 17, 2006 inlicating the observations/directions of the Hon`ble High Court for sxict compliance. Copy of the RBI circular No.DBOD.Pir.BC Nr.43/08.12.01/2006-07 dated November 17, 2006 is available on internet at the site of RBI, i.e. www.rbi.org.in/scriJts/NotificationUser.aspx.

(c) It is too early to assess the impact.