

RBI hikes limit for real estate loans by co-op banks

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THE RESERVE BANK of India on Wednesday doubled the amount of loans that urban cooperative banks (UCBs) can issue for housing. The revision is done in order to factor in the rise in house prices.

The central bank has permitted cooperative banks to extend doorstep banking services to their customers. "This will enable UCBs to meet the needs of their customers, especially senior citizens and differently abled," the RBI said.

Additionally, rural cooperative banks can issue loans for residential housing projects. The cap on loans that these banks can issue is 5% of their total assets. The move measure will improve credit flows from the cooperative banks to the housing sector, the RBI said.

"The big announcement was raising the limit of loans for the State Co-operative Banks and District Central Co-operative Banks to the housing sector. The housing sector is a

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capital-intensive business, these measures will address the growing need for affordable housing, providing easy and higher limits with enough funding avenues for the projects," Nitin Bavisi, CFO, Ajmera Realty said.

"It will improve credit flow to the sector and also act as a boost for housing projects in the rural areas, thereby ensuring the recovery in all pockets

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