



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2025-26/<>
DOR.CRE.REC.<>/07-01-005/2025-26

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**Reserve Bank of India (Urban Co-operative Banks – Credit Facilities) –
Amendment Directions, 2026 – Draft for Comments**

Please refer to [Reserve Bank of India \(Urban Co-operative Banks – Credit Facilities\) Directions, 2025](#) (hereinafter referred to as ‘the Directions’).

2. On a review, in exercise of the powers conferred by the Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949; and all other provisions / laws enabling the Reserve Bank of India in this regard, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.
3. The Amendment Directions modifies the Directions as under:
 - (1). In ‘Chapter VIII – Housing Finance’ of the Directions, the following modifications shall be effected:-
 - (i) Paragraph 116 shall be substituted with the following paragraph:

116. Tenor of housing loans:

(1) For Tier 1 and Tier 2 UCBs, the tenor of housing loans shall not exceed 20 years, including moratorium period.

(2) Tier 3 and Tier 4 UCBs are permitted to determine the tenor of housing loans, including moratorium period, as per their Board-approved policies.

(3) The credit policy of a UCB should, at a minimum, specify risk management and pricing strategies for housing loans considering *inter alia* the life expectancy of the borrower and the relatively longer duration of these exposures.

- (ii) Paragraph 117, shall be substituted with the following paragraph:



117. Moratorium period in housing loans:

(1) Moratorium may be allowed only in cases of housing loans extended for the purpose of construction of houses. Consequently, moratorium shall not be allowed in loans for acquisition of completed houses.

(2) For Tier 1 and Tier 2 UCBs, moratorium periods, if any, in housing loans shall be a maximum of eighteen months from the date of first disbursement of the loan or the date of obtaining the completion / occupancy certificate, whichever is later.

(3) Tier 3 and Tier 4 UCBs may determine the moratorium periods in housing loans, within the overall loan tenor, in accordance with their Board approved policies.

(iii) Paragraph 119 shall be deleted.

(2). In 'Chapter XIII – Miscellaneous Provisions' of the Directions, Paragraph 203, shall be substituted with the following paragraph:

203. The limits for individual unsecured advances, within the aggregate ceiling of unsecured advances as mentioned in [Reserve Bank of India \(Urban Co-operative Banks – Concentration Risk Management\) Directions, 2025](#), shall be as under:

Category of UCB	Limit for individual unsecured advance
Tier 1	₹5 lakh
Tier 2	₹7.5 lakh
Tier 3 & 4	₹10 lakh

4. The above amendments shall come into force from October 1, 2026, or an earlier date when adopted by a UCB in entirety. It is clarified that adoption by a UCB in entirety shall entail adoption of amendments contained in these Amendment Directions as well as those contained in the [Reserve Bank of India \(Urban Co-operative Banks – Concentration Risk Management\) – Amendment Directions, 2026](#).

Vaibhav Chaturvedi
(Chief General Manager)