



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

RBI/2026-27/40

DOR.CRE.REC.30/07-01-005/2026-27

April 29, 2026

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

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 and 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 enabling provisions / laws 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:

3(1). In ‘Chapter VIII – Housing Finance’ of the Directions, the following modifications shall be effected:-

(i) Section I “Period of Loan” shall be replaced as under:

**I. Tenor of and moratorium on Housing Loan**

(ii) Paragraph 116 shall be substituted with the following paragraph:

116. (1) For Tier 1 and Tier 2 UCBs, the tenor of housing loans shall not exceed 20 years, including any moratorium period. Moratorium period in housing loans may be permitted upto the date of completion of construction, subject to a maximum of 24 months from the date of first disbursement of the loan.

(2) Tier 3 and Tier 4 UCBs are permitted to determine the tenor of housing loans, including moratorium periods, 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.



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

(iii) Paragraph 117 shall be deleted

(iv) Section J. “Graduated Instalments” shall be deleted and paragraph 118 shall be a part of Section I.

(v) Paragraph 119 shall be deleted.

3(2). In ‘Chapter X - Loans Against Financial Assets’ of the Directions, the following modifications shall be effected:-

(i) Section C “Advances against Fixed Deposit Receipts (FDRs) Issued by Other Banks” shall be substituted by the following:

#### **C. Credit facilities against deposits**

(ii) Paragraph 177 shall be substituted with the following:

177. A UCB shall have a Board approved policy on granting credit facilities against deposits, which shall specify *inter alia*, the margin required against such facilities at all times. A UCB shall not sanction credit facility against fixed deposit / term deposit receipts of other banks.

(iii) Section D “Advances by Salary Earners’ Primary (Urban) Co-operative Banks (SEBs) against Term Deposits of Non-members” shall be deleted.

(iv) Paragraph 178 shall be a part of Section C and shall be substituted with the following:

178. Notwithstanding the general permission in paragraph 177, credit facilities extended by a UCB to non-members against deposits shall also be subject to relevant enabling provisions in applicable Co-operative Societies Acts.

3(3) In ‘Chapter XIII – Miscellaneous Provisions’ of the Directions, Paragraph 203, shall be substituted with the following paragraph:

203. The limits on unsecured advances to a single borrower, within the aggregate ceiling of unsecured advances as prescribed in [Reserve Bank of](#)



[India \(Urban Co-operative Banks – Concentration Risk Management\) Directions, 2025](#), shall be as under:

<b>Category of UCB</b>	<b>Limit on unsecured advances to a single borrower</b>
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](#).

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