



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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FIDD.CO.Plan. 569/04.09.001/2020-21

December 1, 2020

The Chairman/Managing Director/Chief Executive Officer
All Scheduled Commercial Banks
(Excluding SFBs, RRBs, UCBs & LABs)

Madam/Dear Sir,

Co-Lending by Banks and NBFCs to Priority Sector

Please refer to FIDD Circular dated November 5, 2020 on the Co-lending Model which, *inter alia*, superseded the guidelines dated September 21, 2018 on Co-origination of loans by banks and NBFCs.

2. We are in receipt of queries from banks and NBFCs seeking clarification on the continuation of erstwhile Co-origination Model. In this regard, it is clarified that the revised guidelines expanded the ambit of the co-origination lending arrangement to all NBFCs including HFCs and gave greater operational flexibility to the lending institutions. While the guidelines dated September 21, 2018 were superseded, the co-origination model was effectively subsumed under co-lending model as the revised guidelines are broader in scope and coverage.

3. It is envisaged that since co-lending model is a revision and expansion of co-origination model with greater operational flexibility, all entities viz. banks and NBFCs, which were successfully lending under co-origination model, should be able to smoothly transition towards Co-lending model and undertake lending to the priority sector. It is, however, understood that banks have to enter into revised agreement after due internal approvals for effecting transition from co-origination to co-lending model.

4. For the sake of business continuity and to ensure uninterrupted flow of credit to the priority sector, banks may continue existing arrangement till the Board approved co-lending policy is put in place by them. Banks may also, at their discretion, decide to continue co-origination of loans as long as they are in line with the new guidelines and their approved policy.

Yours faithfully,

(Gautam Prasad Borah)
Chief General Manager-in-Charge

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हिंदी आसान है, इसका प्रयोग बढ़ाइए।

"चेतावनी : रिज़र्व बैंक द्वारा मेल-डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।"

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