

**RAJYA SABHA**

**Unstarred Question No. 2485**

Answered on Tuesday, 17 December, 2024/ 26 Agrahayana, 1946 (Saka)

**Home loans by Co-operative Banks**

2485 # **Shri Baburam Nishad:**

Will the Minister of *Finance* be pleased to refer to the answer to Unstarred Question 1665 given in the Rajya Sabha on 10th December, 2024 and state:

(a) whether all types of co-operative banks can give individual home loans, if so, the details thereof; and

(b) the benefits that can be provided by co-operative sector banks and their members on account of the same?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) and (b): State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs) and Urban Co-operative Banks are extending residential housing loans to an individual borrower, as per the limits revised by Reserve Bank of India (RBI) in year 2022, as below :

Category of the Bank	Limit (per individual borrower)
StCBs/DCCBs (net worth less than ₹100 crore)	₹50 lakh
StCBs/DCCBs (net worth equal to or more than ₹100 crore)	₹75 lakh
Tier-I UCBs (deposits up to Rs 100 crore)	₹60 lakh
Tier-II UCBs (deposits more than ₹100 crore and up to ₹1000 crore)	₹140 lakh

The benefits provided by co-operative sector banks and their members are as under:

- i. Cooperative Banks serve as an important channel for purveying housing loans in unserved/underserved regions, as StCBs and DCCBs have a huge branch network of over 16,000 branches spread across 35 States/UTs and over 78.5% of these branches are located in rural/semi-urban areas.
- ii. Since Housing loans are backed by tangible assets, they offer a secured medium for diversifying Cooperative Banks' business with reduced risk.
- iii. Cooperative banks are owned and operated by their members and function with the guiding cooperative principle of "*Concern for Community*". They play an important role in providing affordable credit to their members in a timely manner.