

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 888

TO BE ANSWERED ON THE 12th DECEMBER, 2022 (MONDAY) / AGRAHAYANA 21,
1944 (SAKA)

'Pending Loan Applications'

888. SHRI HAJI FAZLUR REHMAN:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government has received complaints for keeping loan applications pending by the banks without any reasons and if so, the details thereof, along with the reasons therefor; and
- (b) whether the Government has issued any guidelines for keeping loan applications pending by banks without reason and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) & (b): Reserve Bank of India (RBI) has informed that they have issued guidelines on Fair practices code applicable to banks Vide para 2.5.2(i)(d) and 2.5.2(i)(e) of their Master Circular DBR.No.Dir.BC.10/13.03.00 /2015-16 dated July 1, 2015 on 'Master Circular-Loans and Advances – Statutory and Other Restrictions', wherein banks have been advised to verify the loan applications within a reasonable period of time. If additional details /documents are required, they should intimate the borrowers immediately. Further, in case of all categories of loans irrespective of any threshold limits, including credit card applications, the banks should convey in writing, the main reason/reasons which, in the opinion of the bank after due consideration, have led to rejection of the loan applications within stipulated time.

It has been conveyed by the RBI that they have received 1230 complaints under RBI Ombudsman pertaining to 'Delay in loan sanction/disbursement or non-observance of prescribed time schedule for disposal of loan applications' during the period of 01.12.2021 to 30.11.2022. Out of which 1139 complaints have been disposed of.
