

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 2469

ANSWERED ON MONDAY, DECEMBER 15, 2025/ AGRAHAYANA 24, 1947 (SAKA)

Increase in Interest Rates of NBFCs

2469. SHRI AZAD KIRTI JHA:

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government or the Reserve Bank of India have received complaints relating to unilateral increase in interest rates by Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs), if so, the details thereof;
- (b) whether complaints have also been received regarding extension of loan tenures without the borrowers' prior consent and the non-availability of opt-out mechanisms, if so, the details thereof;
- (c) whether the Government has taken note of the violations of guidelines relating to switching between floating and fixed rate structures for home loans, if so, the details thereof; and
- (d) whether complaints have been received regarding imposition of pre-payment penalties on borrowers seeking to transfer home loan accounts to other lenders and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): As per Reserve Bank of India (RBI) data, the complaints received against Non-Banking Financial Companies (NBFCs) for FY 2024-25 with respect to increase in interest rates along with other discrepancies pertaining to interest rates are given below:

Particulars	No. of Complaints
Excessive interest charged / discrepancy in interest charged	493
Changes in interest rate/ annualized interest rate not communicated as per RBI guidelines	141
Changes in interest rate effected retrospectively	104
Issues related to change of benchmark regime for floating interest rates	56
Total	794

As per the data received from National Housing Bank (NHB), it has received a total of 1196 complaints (615 complaints on Centralized Public Grievance Redress and Monitoring System (CPGRAMS) and 581 complaints on Grievance Registration and Monitoring System-GRIDS) pertaining to rate of interest (including excess rate of interest) for the period 1.10.2024 to 30.9.2025. It is to be mentioned that the complaints received on CPGRAMS, includes complaints related to rate of interest (ROI)/excess ROI/tenure extension. As on date, all these complaints have been closed, and the companies are advised to follow the guidelines.

(b): As per RBI data, a total of 123 complaints have been received pertaining to extension of loan tenures without intimation in FY 2024-25. Also, as per the data received from NHB, during the period 1.10.2024 to 30.9.2025, it has received 69 complaints related to extension of loan tenures without the borrowers' consent on the GRIDS portal.

(c): As per RBI data, a total of 56 complaints have been received with respect to issues related to change of benchmark regime for floating interest rates. According to RBI (NBFC - Responsible Business Conduct) Directions, 2025, at the time of reset of interest rates, an NBFC/HFC may, at its option, provide a choice to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, *inter alia*, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.

Also, all applicable charges for switching of loans from floating to fixed rate and any other service charges/administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/costs by the NBFC/HFC from time to time.

(d): As per the data received from NHB, during the period 1.10.2024 to 30.9.2025, it has received a total of 528 complaints (351 complaints on CPGRAMS and 177 complaints on GRIDS) related to imposition of prepayment charges/ pre-closure charges on borrowers and delay in issuance of foreclosure letter. As on date, all these complaints have been closed, and the companies are advised to follow the guidelines.

As per RBI's Pre-payment charges on loans, Directions, 2025, applicable to all loans and advances sanctioned or renewed after 1.1.2026, a Regulated Entity (RE) shall not levy pre-payment charges on all floating rate loans and advances granted for purposes other than business to individuals, with or without co-obligant(s).
