

The Presidents/Chief Executives  
All Banks/DFIs

Dear Sir(s)/Madam(s),

**Markup Subsidy for Housing Finance**

Please refer to IH&SMEFD Circular No. 11 of 2020, on the captioned subject.

2. In order to further speed up the disbursement of low cost housing finance, banks/DFIs are allowed to extend low cost housing finance against personal guarantee of a third party for a maximum period of one (01) year. Meanwhile, the banks/DFIs shall be required to create mortgage against the financed property as per applicable Prudential Regulations for Housing Finance. The personal guarantee shall stand withdrawn after the mortgage of property is perfected and construction of house is completed or expiry of one (01) year period, whichever is earlier.
3. All other instructions on the subject matter shall, however, remain unchanged.
4. Please acknowledge the receipt.

Yours sincerely,

**(Dr. Mian Farooq Haq)**  
Director