

UNION MINISTER FOR HOME AND COOPERATION, SHRI AMIT SHAH, HAS WELCOMED THE IMPORTANT STEPS ANNOUNCED BY RBI TO INCREASE CREDIT FLOW THROUGH COOPERATIVE BANKS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

The Union Minister for Home and Cooperation, Shri Amit Shah, has welcomed the important steps announced by RBI to increase credit flow through Cooperative Banks. Shri Amit Shah said that in a span of less than one year, Prime Minister Narendra Modi has taken many historic decisions for the cooperative sector, which were needed for a long time. On behalf of the Ministry of Cooperation and crores of people associated with the cooperative sector, I express my gratitude to Prime Minister Shri Narendra Modi for the decisions that have given new impetus to the development of this sector.

Many old demands and problems of the cooperative sector have been resolved since the formation of the new Ministry of Cooperation under the guidance of Union Cooperation Minister Shri Amit Shah. These decisions will fulfill the long standing demands of Co-operative Banks.

Shri Amit Shah said that there is immense potential for development and empowerment of farmers, agriculture and rural areas of the country in the cooperative sector, that is why under the leadership of Prime Minister Shri Narendra Modi, the Union government is empowering the cooperative sector with the mantra of 'Sahakar Se Samridhhi' and has been taking many unprecedented decisions. He said today I am extremely happy to inform that the Reserve Bank of India has announced three very important policy decisions for the cooperative sector-

Firstly, the individual housing loan limit for Urban Co-operative Banks has been doubled. With this decision, the individual housing loan limit for Tier 1 Urban Cooperative Banks (UCBs) has now been increased from 30 lakh to 60 lakh, for Tier 2 UCB from 70 lakh to 1.40 crore and for Rural Cooperative Banks (RCBs). The limit has been increased from 20 lakhs and 30 lakhs to 50 lakhs and 75 lakhs respectively.

In another major decision, Rural Co-operative Banks (RCBs) have been allowed to lend to the Commercial Real Estate Residential Housing sector, which will increase the scope of our Rural Co-operative Banks and also give impetus to the resolution of providing affordable houses to the people.

In the third major decision, now Urban Co-operative banks have been allowed to provide door step banking facility to their customers like commercial banks. With this decision, cooperative banks will now get a level playing field in the competitive banking sector and they will also be able to provide door-to-door banking facilities to customers like other banks. The increase in credit flow to the housing sector through co-operative banks will lead to an increase in economic activity, increase capital formation and employment generation, which will have a multiplier effect on the economy.

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steps announced by RBI to increase credit flow through Cooperative Banks. Shri Amit Shah said that in a span of less than one year, Prime Minister Narendra Modi has taken many historic decisions for the cooperative sector, which were needed for a long time. On behalf of the Ministry of Cooperation and crores of people associated with the cooperative sector, I express my gratitude to Prime Minister Shri Narendra Modi for the decisions that have given new impetus to the development of this sector.

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