

RBI appoints Sanjaya Gupta as member of the Committee on Development of Housing Finance Securitisation Market

New Delhi, 30 May, 2019: The Reserve Bank of India (RBI) has appointed Sanjaya Gupta, Managing Director, PNB Housing, as member of the committee to review the existing state of mortgage securitisation in India. The committee will examine various issues constraining market development and help build the market further.

Welcoming the move of the regulator and the government, **Sanjaya Gupta, Managing Director, PNB Housing Finance** said, "There could not have been better timing to initiate discussions on housing finance securitisation market. Mortgage backed security (MBS) transactions in India would require structural changes such as continuous rating of mortgage pools, audits, etc., which in the western hemisphere is prevalent. It is the need of the hour and will lend velocity to the overall growth of the housing finance sector."

RBI in its statement said "For a vibrant securitisation market to develop, it is imperative that the market moves to a broader issuance model with suitable structuring of the instruments for diverse investor classes. At the same time, as the international experience shows, it is critical to address the issues of misaligned incentives and agency problems resulting from information asymmetry problems between the originators and investors in the market, which can exacerbate systemic risk. Thus, a careful design of a robust and transparent securitisation framework assumes paramount significance."

Bain & Co.'s senior advisor Dr. Harsh Vardhan has been appointed as the chairperson of the committee. The other members include Chandan Sinha, Addl. Director (Learning & Admin), CAFRAL, Naresh Thakkar, Managing Director & Group CEO, ICRA, Pranjul Bhandari, Chief India Economist, HSBC and Bindu Ananth, Chair & Trustee, Dvara Trust.

The committee will submit its report by the end of August 2019.

About PNB Housing Finance Limited

PNB Housing Finance Limited (NSE: PNBHOUSING, BSE: 540173) is promoted by Punjab National Bank and is a registered Housing Finance Company with National Housing Bank (NHB). The Company got listed on the Indian stock exchanges on 7th November, 2016. The Company offer its retail customers "housing and non-housing loans". The Company is also into construction finance loans to real estate developers. PNB Housing Finance is a deposit taking Housing Finance Company.

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