



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI invites comments on proposals regarding Minimum Holding Period and Minimum Retention Requirement for loans originated for securitisation

The Reserve Bank of India has, today placed on its website, a Discussion Paper on '[Emerging Trends in Regulation and Supervision of Securitisation Activities of Banks](#)'. The Discussion Paper seeks to provide an update of the ongoing international work in regard to minimum holding period and minimum retention requirement for loans originated for securitisation, the rationale behind differing opinions and set the background for proposals regarding minimum Lock-in Period/Minimum Holding Period (MHP) and Minimum Retention Requirements for Indian banks.

The Paper is divided into three Sections. Section I discusses the issues and proposals relating to Lock-in Period/Minimum Holding Period (MHP). Section II is devoted to the issues surrounding Minimum Retention Requirement (MRR) and related proposals. Section III outlines the modifications to existing guidelines proposed to be issued for banks operating in India.

It may be recalled that in the Second Quarter Review of the Monetary Policy announced by Reserve Bank of India on October 27, 2009, it was indicated that RBI will issue detailed guidelines regarding lock-in-period and other operational details keeping in view the international norms being developed.

[Draft Guidelines](#) proposed to be issued to banks in the matter are also annexed.

Comments on the Discussion Paper as well as Draft Guidelines may please be [emailed](#) by May 10, 2010 and also sent by post / courier to the Chief General Manager-in-Charge, Department of Banking Operations and Development, Reserve Bank of India, Central Office, 12th Floor, Shahid Bhagat Singh Marg, Mumbai - 400001.

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