

Course Outline

Course outline on Affordable Housing Finance in India

-Vinod Kothari

vinod@vinodkothari.com

Vinod Kothari Consultants Pvt. Ltd.

Check at:

www.vinodkothari.com/secwork.htm for
our recent workshops

Copyright:

This course outline is the property of Vinod Kothari Consultants Pvt Ltd and no part of it can be copied, reproduced or distributed in any manner.

Disclaimer:

This course outline is for training purpose and does not intend to stimulate any existing business process.

Course Outline

1. Overview of Housing Finance in India

- a. Main players in housing finance in India – the share of banks and HFCs
- b. Regulatory framework
- c. What is affordable housing finance
 - i. Different regulatory and industry definitions
- d. Affordable housing finance – the current scenario

2. Basics of mortgage lending

- a. Special features of mortgage lending product
 - i. Asset-backed funding
 - ii. Funding based on regular income of the household
 - iii. Relevance of LTV ratio and D/I ratio
 - iv. Long-term nature
- b. Designing a suitable product for affordable housing finance sector
- c. Process of mortgage lending:
 - i. Assessment of the need of the borrower
 - ii. Appraisal of the cost of the property
 - iii. Title investigations, etc
 - iv. Credit evaluation of the borrower
 - v. Legal documentation
 - vi. Conclusion

3. Regulations for housing finance companies in India

- a. Basic law of mortgage lending
- b. Who all can carry housing finance business?
- c. NHB regulations
- d. Meaning of Housing finance companies and NBFCs
- e. Meaning of micro mortgage finance companies
- f. Capital and prudential regulations
- g. Operational controls on housing finance companies
- h. What can housing finance companies do and cannot

Course Outline

4. Law of mortgages

- a. Creation of equitable mortgages and different forms of mortgages
- b. Understanding of the law of mortgages; distinction between mortgages and charges
- c. Rights and obligations of the mortgagor
- d. Rights and obligations of the mortgagee
- e. Foreclosure process
- f. International law on foreclosure of mortgages
- g. Forthcoming land titling law and impact on mortgage market
- h. Stamp duties on mortgages

5. Credit Risk and pricing of mortgages

- a. Understanding of risk
- b. Importance and relevance of credit risk in housing finance
- c. Understanding the credit risk of the borrower
- d. Pricing of mortgages:
 - i. Cost of capital
 - ii. Risk premium
 - iii. Cost of overheads
- e. Structuring of mortgages
- f. Understanding mortgage amortisation
- g. Restructuring
- h. Prepayment of mortgages and prepayment penalties

6. Refinancing options in housing finance

- a. Depository companies
- b. Traditional balance sheet credits
- c. NHB refinancing
- d. Securitisation options
- e. Portfolio assignments

7. Evaluating securitisation in housing finance

- a. Is securitisation worthwhile for housing finance companies?
- b. Structuring of securitisation to minimize weighted average cost
- c. Securitisation and traditional balance-sheet financing methods
- d. Issues in securitisation of housing finance receivables

Course Outline

- e. Alternative securitisation options – synthetic securitisation and covered bonds

8. *Dealing with NPAs*

- a. Concept of NPAs
- b. Effects of NPAs
- c. Categorization of Defaulters
- d. Steps involved in Recovery
- e. Execution of Recovery Process
- f. Case Studies

9. *Case studies on affordable housing models in other countries*

Contact us:

Vinod Kothari Consultants P Ltd.
1012, Krishna
224, AJC Bose Road
Kolkata -700 017
Ph: 033-2281-7715/3742/1276

Mumbai Office:

222, Ashoka Shopping Centre
2nd Floor, LT Road
Near GT Hospital
Mumbai- 400 001
022-22675600

Websites: www.vinodkothari.com
www.india-financing.com

Email Ids- vinod@vinodkothari.com; nidhi@vinodkothari.com