42nd ANNUAL CONFERENCE & AGM

AFRICAN UNION FOR HOUSING FINANCE

Lending Past The payslip: Financial Innovation For Informal Incomes in India and Zambia



Mildred Mutesa
Managing Director,
Zambia National Building Society



Raj Kumar Negi
Assistent General Manager,
National Housing Bank (NHB)



Aditya Sharma
Deputy General Manager,
National Housing Bank (NHB)



Chalamalasetti V. Rao
Managing Director & CEO,
Nivara Home Finance



Ram Naresh Sunku
Managing Director and CEO,
Vridhi Home Finance

Thursday, 12 November 2026 14:00 - 14:30

Visit www.auhf.co.za to register.

राष्ट्रीय आवास बैंक
NATIONAL HOUSING BANK

Building the Roof Over a Billion Dreams

Unlocking Housing Finance for the Unbanked: Lessons from India's Financial Ecosystem

42nd African Union for Housing Finance (AUHF) Annual Conference
10-13 November 2026, Lusaka, Zambia



The Arc of Growth:
Informal Savings to Institutional Scale

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Phase I: 1970s-1980s
Self-Financed Era

90% equity funded. Minimal bank participation. Institutional mortgage access virtually non-existent.

Phase II: 1988-2000s
Institutional Birth

Establishment of NHB apex regulator. Specialized Housing Finance Companies (HFCs) emerge.

Phase III: 2015-Present
Affordable Inclusion

PMAY subsidies, digital underwriting stack, ₹32+ Trillion market depth reached.

Key Driver: Dedicated Regulatory Focus & Refinance Architecture



Four Decades of Structural Evolution

Evolution from niche lending to mainstream asset class

1977

Pioneer Era

First retail mortgage company established in private sector.

1988

NHB Act Passed

National Housing Bank created as apex development authority.

1999

Fiscal Incentives

Tax deductions introduced on home loan interest repayment.

2015

PMAY Launch

National flagship mission for housing for all launched.

2024+

Digital Frontier

API underwriting and automated land registry integration.



Core Mandates of National Housing Bank

Financing: Refinance Engine

Liquidity Support: Direct long-term refinance to HFCs and Banks.

Affordable Housing Fund: Manages low-cost Affordable Housing Fund (AHF).

Promotion & Development

Capacity Building: Standardizing credit guidelines across industry.

Market Data: Publish NHB RESIDEX tracking real estate prices, Manage Centralized Data Repository of Individual Housing Loans (CDRIHL) & Housing Finance repository (HFR) portals.

Supervision

Supervisory Oversight: On-site inspection & off-site surveillance of HFCs.

Risk Frameworks: Monitoring capital adequacy, ALM, PBC and prudential norms..

Inclusion Catalyst

Central Nodal Agency: Implements interest subsidy schemes for GoI.

Last-Mile Delivery: Support for rural and informal sector loans.



IHL-to-GDP Trajectory & Market Scale

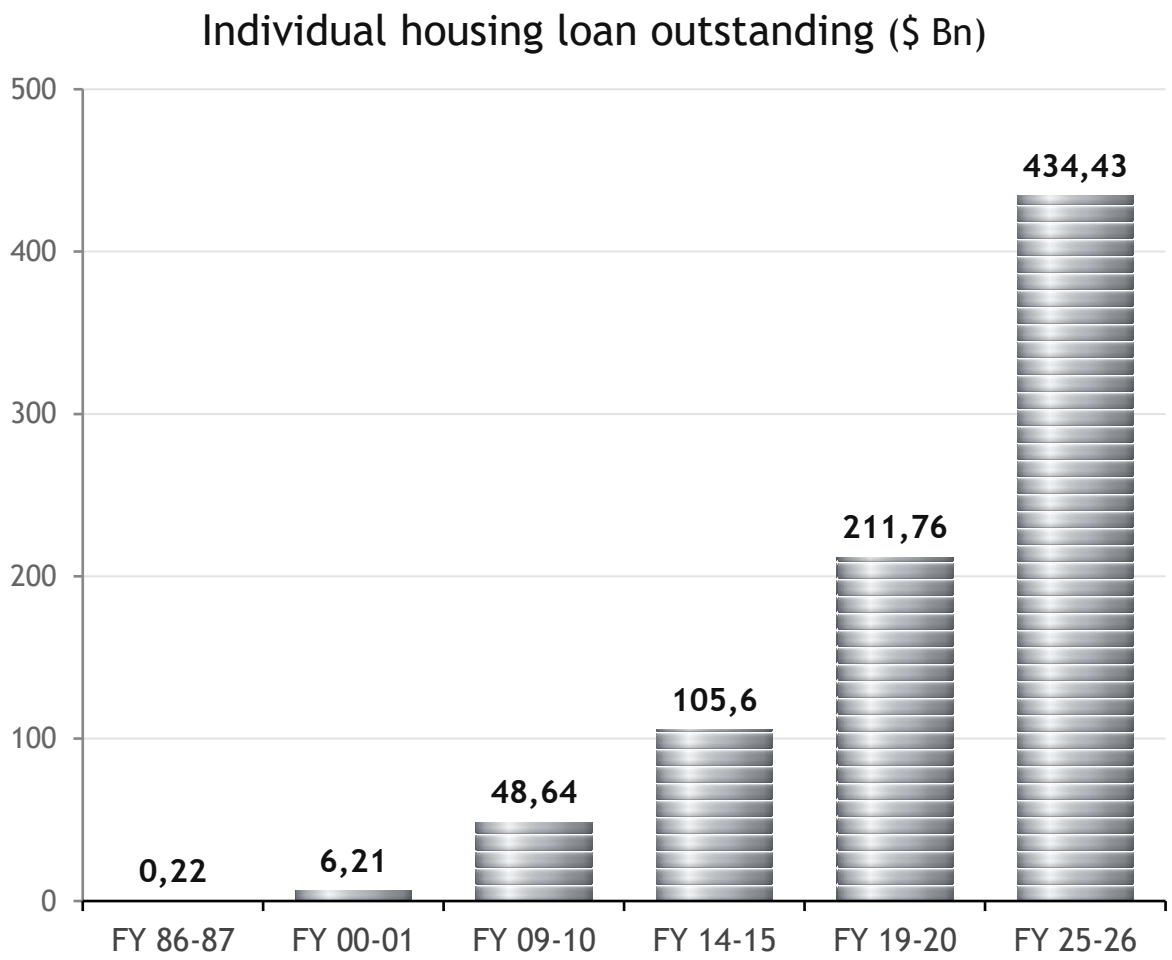
CURRENT MORTGAGE PENETRATION (IHL to GDP Ratio)

11.9%

Surged from **0.7%** in 1987. Total outstanding credit reached **₹41.04 Trillion** ($434 Bn+).

Source: National Housing Bank, Reserve Bank of India & MoSPI Data





Exchange Rate: $1= ₹ 94.46 | *1 coin = $ 10 Bn*

State Interventions:
Demand Subsidies & Supply Enablers

PMAY - Urban & Gramin

Targeted mission delivering **25 Million+** sanctioned houses for low-income segments.

Scale Engine

Credit Linked Subsidy (CLSS)

Upfront upfront interest subvention directly credited to home loan account.

Demand Booster

Affordable Housing Fund

Concessional refinancing pool created at NHB to lower borrowing cost.

Liquidity Support

Infrastructure Status

Granted to affordable housing, unlocking long-term external commercial borrowings.

Regulatory Push

Direct Benefit Transfers (DBT) ensured zero leakages in subsidy distribution



Dual Pillar System:
Scheduled Banks & Housing Finance Companies

Commercial Banks ~82% Market Share

Strength: Unmatched low-cost CASA deposit base.

Focus: Formal salaried borrowers, prime properties.

Ticket Size: Mid-to-high ticket home loans.

CO-LENDING MODEL

Housing Finance Companies ~18% Market Share

Strength: Deep doorstep underwriting expertise.

Focus: Self-employed & informal income segments.

Ticket Size: Small-ticket affordable housing.

Co-Lending blends Bank capital efficiency with Non-Bank originations



Affordable HFCs & Small Finance Banks:
Serving Informal Income Segments

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TICKET SIZE

₹8L - ₹15L Loans

Tailored micro-mortgages catering specifically to Tier 2/3/4 towns and rural fringes.

ASSESSMENT

Cash-Flow Underwriting

Surrogate income computation via bank turnover, GST filings, and field verification.

COLLATERAL

Informal Property Title

Innovative legal validation for gram panchayat lands and self-built structures.

SFB assets expanded at 54%+ over the last Year



India Stack:
Accelerating Underwriting Speed

Identity & e-KYC

Paperless instant customer verification via Aadhaar biometric stack.

Account Aggregator

Consented real-time financial statement sharing replacing manual bank checks.

Digital Land Records

Online property title verification and geo-tagging via DILRMP integration.

Reduced Processing turnaround, Underwriting Cash Flows



LIQUIDITY TOOL

Residential Mortgage-Backed Securities (RMBS)

Standardized securitization structures enabling HFCs to recycle capital effectively.

STABILITY FRAMEWORK

Asset-Liability Management (ALM)

Strict liquidity coverage and duration-matching rules monitored by regulator.

Ensuring long-term stability across interest rate cycles



Targeting higher Mortgage-to-GDP

Future Horizons

DEMOGRAPHIC ENGINE

600M

Urban population expected in India by 2031, driving sustainable structural housing demand.

Urbanization contributing ~60%+ of GDP



Green & Sustainable Housing Finance

Concessional pricing for energy-efficient construction.

Deepening Securitization Market

Expanding institutional investor base for mortgage paper.

Complete Land Registry Digitization

Frictionless title search across all rural and urban zones.

Innovative Housing Typology for affordability

Affordable Rental Housing. Cluster Housing

5 Transferable Pillars

For Emerging Housing Markets

1. Apex Refinance Entity

Anchor specialized institution to provide long-term systemic liquidity.

2. Dual Lending Model

Pair commercial bank balance sheets with agile specialized non-bank originators.

3. Targeted Subsidies

Direct interest subvention into borrower loan accounts to preserve fiscal hygiene.

4. Digital Public Infra

Digital identity & account aggregation radically drop underwriting friction.

5. Cash-Flow Credit

Surrogate cash-flow assessment tools enable lending to informal earners.





Raj Negi

National Housing Bank, India

E-mail: rajkumar.negi@NHB.ORG.IN

Mob.: +91 – 8130 393 458