

Co-Lending Arrangements Directions, 2025

RBI has revised directions for Co-lending Arrangements (CLA) to broaden the scope of co-lending. Regulated Entities (REs) can enter into a lending arrangement with other REs for extension of credit to the borrowers, subject to compliance with the extant prudential regulations.

Co-lending

1

Each RE under a CLA shall be required to retain a minimum 10% share of the individual loans in its books.



Interest Rates

2

The interest rate/fees/charges on the underlying loans charged to the borrower shall be based on the contractual agreement. Any change in rates by respective REs under CLA will be made as per their credit policy & extant regulatory norms & the same shall be reflected in the updated blended rate and communicated to the borrower.



Disclosures

3

- The loan agreement signed with the borrower shall make an upfront disclosure regarding the segregation of the roles and responsibilities of the concerned REs.
- All required details of CLA shall be disclosed appropriately to the concerned borrower.



Timely updation

4

The CLA shall ensure that the respective shares of the REs are reflected in the books of both REs without delay after disbursement by the originating RE to the borrower, in any case not later than 15 calendar days from the date of disbursement.



Escrow account

5

- Each RE shall maintain a borrower's account individually for its respective share.
- All transactions between the REs as well as with the borrower shall be routed through an escrow account maintained with a bank (which could also be one of the REs involved in CLA).



Business Continuity Plan

6

- REs shall implement a business continuity plan to ensure uninterrupted service to their borrowers till repayment of the loans, in the event of termination of CLA between the REs.
- The loans under the CLA shall be included in the scope of internal/statutory audit in each RE to ensure adherence to their respective internal guidelines, terms of the agreement & applicable regulatory requirements.

