

## **National Housing Bank (Nomination) Regulations, 2004**

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## **National Housing Bank (Nomination) Regulations, 2004**

In exercise of the powers conferred by clause (ja) of sub-section (2) of Section 55 read with Section 47-A of the National Housing Bank Act, 1987 (53 of 1987), the Board of Directors of the National Housing Bank with the previous approval of the Reserve Bank of India and in consultation with the Central Government, hereby makes the following regulations, namely:-

### **1. Short title and commencement :-**

- (1) These regulations may be called the National Housing Bank (Nomination) Regulations, 2004 .
- (2) They shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions :-**

In these regulations, unless the context otherwise requires,-

- (a) "the Act" means the National Housing Bank Act, 1987 (53 of 1987);
- (b) "bond" means the bond or debenture issued and sold by the National Housing Bank pursuant to clause (a) of sub-section (1) of Section 15 of the National Housing Bank Act, 1987 ;
- (c) "deposit" means the deposit of money accepted by the National Housing Bank pursuant to clause (c) of sub-section (1) of Section 15 of the National Housing Bank Act, 1987 ;

(d) "deposit receipt" means the receipt issued by the National Housing Bank in receipt of any deposit and includes a certificate of deposit;

(e) "holder" means the holder of a bond or security or depositor in respect of a deposit;

(f) words and expression used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

### **3. Nomination in respect of bonds or deposits :-**

(1) A nomination made by a holder or as the case may be, all the holders jointly, shall be recognised by the National Housing Bank in the circumstances and to the extent specified in these regulations.

(2) A sole holder or all the holders jointly or the surviving holder or holders not being person(s):-

(1) holding the bond or deposit as holder of an office; or

(ii) acting for a trust; or

(iii) acting in any other capacity for any other person with a beneficial interest in the bond or deposit, may nominate one or more persons not exceeding four including a minor, who shall in the event of his or their death be entitled to the amounts payable by the National Housing Bank in respect of the bond or deposit:

Provided that where the nominee is a minor, the holder(s) shall at the time of making the nomination also appoint any person to receive the amounts due in respect of the bond or deposit in the event of death of the holder(s) during the minority of the nominee.

Explanation. Nomination may also be made in favour of Central or State Government, a local authority a religious or charitable trust or any person designated by virtue of his office.

### **4. Substitution or cancellation of nomination :-**

(1) A nomination made under sub-regulation (2) of Regulation 3 may subsequently be substituted or cancelled.

(2) Every nomination, substitution of nomination or cancellation of nomination shall be made to the National Housing Bank in such form as may be specified by the National Housing Bank and shall be accompanied with the relevant bond or deposit receipt.

(3) Receipt of a valid nomination, substitution of nomination or cancellation of nomination shall be acknowledged in writing to the concerned bond holder or depositor by the National Housing Bank. The nomination, substitution of nomination or cancellation of nomination shall be deemed to be effective from the date of such acknowledgment by the National Housing Bank. The National Housing Bank may also make a suitable endorsement about the nomination, substitution of nomination or cancellation of nomination on the bond or deposit receipt.

(4) The substitution of nomination or cancellation of nomination shall not be valid in the case of a bond or deposit held jointly by more than one bond holder or depositor unless such substitution or cancellation is made by all the surviving bondholder(s) or depositor(s).

**5. Nomination not affected due to issue of a new bond or deposit receipt :-**

The nomination made under these regulations shall not be affected by the issue of a new bond or deposit receipt in lieu of the existing one.

**6. Nominees right to receive the amount :-**

(1) Where the nomination is in favour of more than one person, the nominee first named alone shall be entitled to receive the amount due in respect of the bond or deposit, in the event of the death of the bondholder(s) or depositor(s).

(2) Whenever the nominee first named has pre-deceased the bondholder or the depositor, as the case may be, and the bondholder or depositor has not cancelled the nomination or substituted the nomination, the nominee second named shall be entitled to receive the amount in respect of the bond or deposit and in the same manner on death of a successive nominee the nominee next named shall be entitled to receive the amount in respect of the bond or deposit.

(3) Nomination made under these regulations shall cease to be in force on the death of the sole nominee during the lifetime of the bond holder or the depositor.

**7. Deemed cancellation of nomination :-**

The nomination in respect of a bond shall be deemed to have been cancelled from the date of its transfer by the holder or its

redemption by the National Housing Bank unless the transferee, in the case of transfer, advise the National Housing Bank in writing that he does not desire such bond to be transferred to his name.

**8. Discharge on payment to the nominee :-**

Any payment made by the National Housing Bank to the nominee in accordance with the provisions of these regulations in respect of a bond or deposit to which the nomination relates shall be a full discharge to the National Housing Bank of its liability in respect of such bond or deposit:

Provided that nothing contained in this regulation shall affect the right of claim which any person may have against the nominee to whom any payment is made under these regulations.