

AFFORDABLE HOUSING FINANCE COMPANIES (AHFCs)

**Securitisation by AHFCs to remain
resilient, driven by expanding
business volumes and strong asset
performance**

JANUARY 2026



Highlights



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Share of sell-down has remained steady at ~15% of total disbursements of AHFCs over the last five years.

DAs remain the preferred route for sell-down of loans by the AHFCs.



- Assets under management (AUMs) of affordable housing finance companies (AHFCs) stood at ~Rs. 1,70,000 crore in September 2025, which forms ~15% of the total outstanding housing finance company loan book.



- Share of sell-down has remained steady at ~15% of total disbursements of AHFCs over the last five years. Direct assignment (DA) has accounted for ~85% of the overall sell-downs.



- Average collection efficiency for ICRA-rated pass-through certificate (PTC) transactions originated by the AHFCs have remained strong at greater than 97% for the past 5-year period; supporting the low delinquency levels (90+days past due (dpd) of below 1%).



- PTC pools are characterised by higher presence of self-employed borrowers and are geographically diversified. Also, timely interest and timely principal (TITP) structures are mostly preferred by the investors.



- PTC yields have largely reflected the movement in repo rates.



- Securitisation is likely to remain an important incremental funding source for AHFCs; their disbursements are projected to grow at 20% in FY2026 over FY2025, thus leading to proportionate growth in securitisation volumes as well.



- ICRA expects securitisation volumes to rise in FY2026 to somewhere between Rs 8,500 crore to Rs 9,000 crore and sell-down, as a proportion of disbursements, to remain stable.



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