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Government of India  
Ministry of Housing and Urban Affairs  
HFA-IV Section

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Nirman Bhawan, New Delhi

Dated the 19<sup>th</sup> July, 2017.

OFFICE MEMORANDUM

**Subject: Minutes of the third meeting of the Committee on Monitoring of Credit Linked Subsidy Scheme (CLSS) for Housing for All (Urban) Mission of Pradhan Mantri Awas Yojana(PMAY) – reg.**

The undersigned is directed to enclose herewith a copy of the minutes of the above said meeting held with Secretary, Ministry of Housing and Urban Poverty Alleviation and Secretary, Department of Financial Services as Co-Chairs on 15<sup>th</sup> June, 2017 at 1430 hrs in the Conference Hall, 120-G, Nirman Bhawan, New Delhi, for information and necessary action.



(Rahul Mahna)

Under Secretary to the Govt. of India  
Telefax: 23061285

Encl : As above.

To

1. Secretary, Department of Financial Services, Ministry of Finance, Jeevan Deep Building, Parliament Street, New Delhi-110001.
2. CMD, HUDCO, HUDCO Bhawan, Core-7A, India Habitat Centre, Lodi Road, New Delhi-110003.
3. MD & CEO, NHB, Core 5-A, 4th Floor, India Habitat Centre, Lodi Road, New Delhi- 110003.

Copy to:

1. PPS to Secretary (HUA)
2. PS to JS(Housing)
3. PS to JS & MD (HFA)
4. PS to JS(UPA)
5. PS to JS & FA
6. Director (IFD)
7. DS(HFA-IV)



(Rahul Mahna)

Under Secretary to the Government of India

Committee on Monitoring

CREDIT LINKED SUBSIDY SCHEME (CLSS)

Housing for All (Urban) Mission, Pradhan Mantri Awas Yojana

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Minutes of the Third Meeting of the Committee

1. The third meeting of the Committee on Monitoring the Credit Linked Subsidy Scheme (CLSS) for Pradhan Mantri Awas Yojana (Urban)-Housing for All Mission was held under the Co-Chairpersonship of Secretary, Ministry of Housing and Urban Poverty Alleviation and Secretary, Department of Financial Services on **15 June, 2017 at 1430 hrs** in the Conference Hall, 120-G, Nirman Bhawan, New Delhi. The list of participants is enclosed at **Annexure I**.

2. Secretary (HUPA) welcomed Secretary (DFS) and thereafter, the agenda was taken up for discussion.

3. **Action Taken Report on 2<sup>nd</sup> Meeting of the Committee held on 3.06.2016**

It was noted that since the 2<sup>nd</sup> meeting of the Monitoring Committee, officials of MoHUPA and DFS have interacted on issues relating to CLSS, the gist of which is given below:

- (i) In the FM's Quarterly Review meeting with PSBs on 6.06.2016 which was attended by JS (H), MoHUPA, a write up on CLSS was circulated to CMDs of PSBs;
- (ii) A meeting was held on 20.06.2016 with JS (DFS) by JS (Housing) and MD (NHB) where details of disaggregated data under CLSS with reference to different categories of PLIs were discussed;
- (iii) A follow up meeting was held on 26.09.2016 with JS (DFS) by JS (HFA) along with GM (NHB);
- (iv) DFS convened a meeting on 22.11.2016 under the Chairmanship of AS (DFS) where the introduction of a sub-category under Priority Sector Lending (PSL) for Affordable Housing was discussed; and
- (v) In the Annual Review Meeting of PSBs on 12.06.2017 wherein JS (HFA) made a presentation on extended coverage of CLSS and its performance.

4. **Review of Performance of CLSS for EWS/LIG**

It was observed by Secretary (DFS) that the extended coverage of CLSS for EWS/LIG provides enhanced repayment capacity and further incentivises PLIs to participate in the Scheme.

Secretary (HUPA) Informed the Committee that budget allocation for CLSS for EWS/LIG has already been released as advance subsidy and therefore, any requirement for the scheme will be projected by MoHUPA in RE 2017-18.

The following was noted as areas of concern:

- (i) Lack of adequate conversion of home loans upto Rs. 10 lakh category into CLSS for EWS/LIG accounts.
- (ii) Lack of awareness at branch level of PLIs despite wide awareness programmes. A large number of Public Grievances against branch levels of PLIs are being received at MoHUPA and by CNAs.

Secretary (DFS) suggested the following approach to address the issues of equitable access to CLSS interest subsidy:

- (i) NHB is to collect/ work out authentic disaggregated data, by end of July 2017, regarding performance of PLIs based on States, regions and zones so that target areas, YoY performance and lending statistics could be identified. This would help analyse focus areas for a geographic cum institutional strategy which will be taken up with respective SLBCs.
- (ii) It was discussed that possibility of tracking of retail home loan applications for conversion into CLSS through LOS of banks (which may not be available in all bank branches) is to be ascertained.
- (iii) CNAs are to ascertain availability of information on CLSS on corporate websites of PLIs and provide a report to the Committee.
- (iv) MoHUPA and NHB to prepare a representative case of grievances by splitting it zone wise, which could then be placed in respective SLBC meetings.
- (v) NHB was also requested to take into account the following:
  - a. Weekly data format used by DFS to identify the banks which may need further review.
  - b. Align housing loan slabs by income categories presented in Committee Meeting with the income categories under CLSS, so that data on conversion of home loan into CLSS loans is more realistically mapped.

#### 5. Minutes of the Meeting chaired by Hon'ble PM on 8.05.2017

The relevant decisions of the meeting chaired by Hon'ble PM on 8.05.2017 to review the progress in the Infrastructure sector with respect to Urban Housing were discussed. The following was decided:

Sl.	Action Points from PM's Meeting	Decision of Monitoring Committee
3.	Facilitate provision of loans from HFCs and PSBs under all verticals of the Scheme	It was decided that the disaggregated data presented by NHB will be translated into action points for financial inclusiveness.
8.	Make Credit-Linked Subsidy Scheme a part of Key Performance Indicators of Public Sector Banks	Housing loans under PSL are already a part of KPIs of banks. The details would be shared with MoHUPA who would provide suggestions for change, if any.
9.	Earmark lending for EWS and LIG under Priority Sector Lending	It was informed that the issue is under the purview of RBI and has already been discussed with RBI by DFS. The correspondence for the same will be provided by DFS to MoHUPA who could take it up further with RBI.
10.	Provide additional resources to NHB to enable HFCs to reduce their cost of borrowing	NHB was requested to present a White Paper on the issue urgently for further discussion with DFS.

6. **Recommendations of 10<sup>th</sup> Report of the Standing Committee on Urban Development (Sixteenth Lok Sabha)**

It was decided that NHB will capture information from select banks (SBI, PNB, Bank of Baroda and Canara Bank were suggested as LOS is available) and analyse data for data extrapolation with other banks.

7. **Allocation of Targets to PLIs**

NHB was requested to compile bank wise data on home loans processed under Rs. 10 lakh, YoY performance, of individual banks, to facilitate discussions on the matter with banks.

8. **Further Action Points**

DFS carries out regular VCs with Banks. One such forth coming VC could be on Housing credit with relevant retail heads of banks. MoHUA representative would be invited to join the meeting.

The meeting ended with a Vote of Thanks to the Co-Chairs.

Annexure I

List of Participants

Sl.	Name and Designation	Organisation
	<b>Ministry</b>	
1.	Dr.N.Chatterjee, Secretary (HUPA)	MoHUPA, In Co-Chair
2.	Ms. Anjuly Chib Duggal, Secretary (DFS)	DFS, In Co-Chair
3.	Sh. Pankaj Jain, Joint Secretary (DFS)	DFS
4.	Sh. Amrit Abhijat, JS and MD (HFA)	MoHUPA (Member Convener)
5.	Sh. S.K. Valiathan, Deputy Secretary (HFA-4)	MoHUPA
6.	Sh. Rahul Mahna, Under Secretary (HFA-4)	MoHUPA
	<b>PSUs and Other Organisations</b>	
7.	Sh. Sriram Kalyanaraman, MD and CEO	NHB
8.	Sh. V.Rajan, GM	NHB
9.	Sh. S. K. Padhi, DGM	NHB
10.	Sh. N. L. Manjoka, DCP	HUCDO
11.	Sh. H T Suresh, GM (RF)	HUDCO
12.	Sh. S. Gupta, JGM (P)	HUDCO
	<b>Project Management Unit, HUPA</b>	
13.	Ms. Nitika Krishan, Lead Affordable Housing and Urban Specialist	PMU, HFA, MoHUPA