

**Response to Queries / Suggestions received
on Credit Linked Subsidy Scheme (CLSS)
under Housing for All (Urban)
Pradhan Mantri Awas Yojana**

Sl.	Suggestion / Query	Response
1	Organisations such as the National SC Finance Development Corporation and others involved in financing for ST/OBC/ Minority / Handicapped beneficiaries should also be involved in financing of Housing for All (HFA) Mission.	NHB is to examine the Memorandum of Association (MoA) of these organisations to ascertain the organisations' mandate to lend and also verify the funding pattern from Gol.
2	Is there a simplified application documentation process for beneficiaries? If not, it would be desirable that formats are developed / approved by IBA for acceptability within banks.	CNAs to evolve a suitably simplified documentation process with assistance from IBA, as necessary.
3	What steps are proposed at the level of MoHUPA for popularising the Scheme amongst the intended target group?	MoHUPA is in the process of obtaining feedback from stakeholders on implementation issues. Suitable advocacy steps will be taken for popularising the scheme at an appropriate time. CNAs and PLIs are also expected to popularise the scheme by taking suitable steps at their end.
4	Can applicants of CLSS register directly at ULBs?	Beneficiaries can apply directly to PLIs or through the ULBs or the local agencies identified by the State/ULBs.
5	Whether there would be any mechanism for centralised registration of the beneficiaries in 4041 statutory towns? This would facilitate easy identification of beneficiaries having availed of the facility under different verticals of the Scheme.	MoHUPA is developing an IT system through NIC which will be accessible to all stakeholders for accessing and uploading data. Till then, CNAs would host the details of beneficiaries on their websites, which can be used as a database for the purpose of the Scheme.
6	Different States/UTs assign targets to the PLIs and the PLIs will also be assigned targets by Monitoring & Evaluation Committee at centre. There is a need for clarity as regards fixation of the targets and who is the authority in this context?	A Committee consisting of Secretary (HUPA) and Secretary (DFS) will allot targets to the PLIs under Credit Linked Subsidy component of the Mission and PLIs would be expected to meet those targets.
7	Can the private sector use the AHP vertical scheme and get central government assistance for their existing schemes?	No. The project has to be adopted by the State government for which conditions like the no. and size of project, eligible beneficiaries, sale price, allotment process etc. have to be met with for consideration of central government assistance.

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8	The issue of NOC by the State Govt/ULB in 15 days may become a bottleneck. Can it be removed?	The issue of periodic NOC is to ensure that a single person does not take benefit of the scheme twice. The process of NOC is being reviewed and will be notified suitably.
9	Several banks already have home loan products for lower income groups. What will be the process for the beneficiaries who have availed this loan in last few months?	The scheme has become effective from 17 June 2015. As such, loans sanctioned and disbursed on and after this date would be eligible for the benefit under CLSS, provided all the parameters of the Scheme have been complied with.
10	The disbursement of subsidy amount is in maximum of 4 installments whereas a builder could demand construction linked installments in more than this number. How to deal with such cases?	Such cases on the number of disbursement installments can be decided based on discussions between CNAs and PLIs for availing of benefit under the scheme, provided all other requirements of the scheme are complied with.
11	The completion period of 12 months for construction of house as given in MOU (Cl. E 6 of pg. 23) of the guidelines may not be feasible.	This condition is being reviewed by MoHUPA with respect to new construction and will be communicated.
12	The Scheme envisages that only such beneficiaries who do not have a pucca house anywhere in the country are eligible for the benefits under the Scheme. How this aspect would be ensured?	States /UTs /ULBs /PLIs shall link beneficiary State identification to Aadhaar ID, Voter card, any other unique identification or a certificate of house ownership from Revenue Authority of beneficiary's native district so as to avoid duplication.
13	How many cities would be covered for the purpose of the Scheme?	All 4041 statutory towns as per Census 2011 would be covered for the purpose of CLS Scheme.
14	Whether repairing work to the existing house is covered for benefit under the Scheme?	Repairing work to the existing house can be undertaken in houses which are kutcha, semi pucca and require extensive renovation.
15	Sl.5.3. mentions that "The beneficiary, at his/her discretion, can build a house of larger area but interest subvention would be limited to first Rs. 6 lakh." Please clarify.	The construction of a new house can be undertaken as per the scheme guidelines. For extension/repair, the area limit will be 30 sq.m. and 60 sq.m. of built up area for EWS and LIG category respectively.
16	Will the clarifications / FAQs supersede the Guidelines?	The FAQs / clarifications are to be read with the scheme guidelines.
17	The Credit Risk Guarantee Fund Scheme of NHB defines a low income housing as of size upto 430 sq.ft. (40 sq.m.) carpet area. Can this be matched with CLSS?	It will be examined by Credit Risk Guarantee Fund Trust as per extant guidelines of the CRGF Scheme.
18	Since the Scheme proposes that no amount should be recovered from the beneficiaries towards processing charges,	A lump sum of Rs. 1000/- per sanctioned application would be paid to PLIs in lieu of the processing fee. Presently, charges

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	what is the situation about the charges levied by the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)? Whether these charges are to be recovered from the beneficiary or such charges are to be borne by the PLIs.	levied by CERSAI are being recovered from the concerned borrower/ beneficiary and the CLSS is independent of the same. However, PLIs may take a suitable decision at their end.
19	It is suggested to all states that mortgage fees (ranging from 0.25 to 0.5%) and stamp duty be waived off to enable a fillip to the scheme. Gujarat and Tamil Nadu have waived off these amounts.	The matter would be taken up with States.
20	Can CLSS be clubbed with private mortgage backed guarantee fund provided by certain private players in the market?	Yes
21	Whether MoHUPA is contemplating share the burden, where a loan becomes NPA and the PLI concerned is unable to recover the entire outstanding amount from the beneficiaries?	It is responsibility of the PLIs to carry out due diligence of the borrower as per their due diligence norms and as such recovery of NPAs, if any, is their responsibility. However, where the construction of the unit is stalled due to any reason, the subsidy released by MoHUPA is to be recovered alongwith loan recovery by the bank.
22	Banks rely on income certificates and title ownership while disbursing loans. In this scheme, self certification is mentioned as income proof. Who will be responsible for title authenticity and income proof in such a situation?	Banks have to adopt their own due diligence process while sanctioning loans. While disbursing subsidy, a self certificate / affidavit as proof of income will be taken from the beneficiary. PLIs can resort to the remedies available under IPC and other relevant statutes in case of any fraudulent submission,
23	There is a Delhi High Court order on requirement for approved building plans for loan sanctioning. How is this to be integrated with housing projects of HFA?	Please refer to mandatory reforms under Sl. 11.4 of the guidelines on deemed building permission and layout approval or exemption of approval for houses below certain built up area or plot area.
24	All HFCs are not covered under SARFAESI Act. Is there any thinking to cover all HFCs under the Act?	At present, only select HFCs are covered under SARFAESI Act. It is understood from NHB that the matter regarding covering of remaining registered HFCs within the scope of SARFAESI Act, is under their attention.
25	Different states have different area criteria for defining EWS or LIG houses. How will this be addressed in housing projects under HFA?	States can determine the areas of EWS and LIG houses as per their local needs with concurrence of MoHUPA. This state based modification will apply across all four components for the Mission. The

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		Central assistance, however, will remain fixed.
26	Whether moratorium granted to borrowers before the actual repayment begins, would be within the overall limit of 15 years or would fall outside it?	It will be within the overall limit of 15 years.
27	What kind of land titles will be used for loan sanctioning in cases / areas where society pattas are prevalent?	The HFCs / PLIs must satisfy itself for sanctioning of loans and follow the due diligence documentation and approval process.
28	Can re-finance be taken on subsidized home loans?	Yes
29	Can the processing cost of Rs.1000/- per sanctioned application be enhanced as the operating cost is high for home loans of a lower value?	At present, processing fee is Rs. 1000/- per sanctioned application.
30	As mentioned in the document (paragraph 15.2) it is stated that subsidy will be disbursed in 4 instalments (a) What will be the frequency of the subsidy instalments?	The subsidy will be disbursed by CNAs in maximum of 4 instalments on proportionate basis. It would depend on receipt of information regarding the loan/s disbursed by the PLIs to eligible borrower / beneficiary. (Refer para D.1 on page 23 of Scheme)
	(b) Will it be linked with the construction stages as mentioned in page 46?	The construction stages mentioned in Page 46 pertain to Subsidy for Individual Beneficiary for House construction / enhancement, and not to CLSS. The subsidy instalment will be linked to disbursement of loans by PLI to borrower.
31	Please clarify what is the process to provide subsidy to the beneficiary? (a) PLI should deposit the credit linked subsidy in the beneficiary loan account and then claim the refund from CNA as mentioned in point 5.1.	PLIs should claim the subsidy amount from the respective CNAs after disbursement of loan. Subsidy will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount. Borrower will pay EMI as per lending rates on the remainder of the principal loan amount.
	(b) PLI should claim the money from CNA and deposit the credit linked subsidy in the beneficiary loan account only after receiving the amount from the CNA as mentioned in the flow-chart.	
32	As mentioned in Section 5.3, need clarity on the definition of new construction. Does it include: (a) Purchase of a new construction house from a builder (b) Purchase of a new construction house from a developer	All the three instances mentioned in the question are covered under the definition of a new construction and are eligible under the Scheme for subsidy, within the

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	(b) Resale of a new construction house from the seller	prescribed carpet area norms of 30/60 sq.m., as applicable.
33	Whether PLIs should collect PDCs for the EMI on: (a) Total loan amount availed by the beneficiary or (b) Total loan amount excluding the subsidy amount?	Subsidy will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount. Borrower will pay EMI as per lending rates on the remainder of the principal loan amount.
34	Can PLIs extend home loans under CLSS for a period of more than 15 years for the non-subsidy portion of the home loan?	Beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans from Banks, Housing Finance Companies and other such institutions would be eligible for an interest subsidy at the rate of 6.5 % for a tenure of 15 years or during tenure of loan, whichever is lower.
35	What happens if the customer applies for multiple subsidies using different ID proofs?	Under the Mission, beneficiaries can take advantage under one component only. For enabling this process, the beneficiaries should be linked to their Adhaar/Voter ID Card/Any other unique identification Number or a certificate of house ownership from Revenue Authority
36	What is the procedure to address a customer if he/she has already availed the home loan and later on approaches the PLI to avail the credit linked subsidy on the same property.	The scheme has become effective on 17 June 2015. PLIs are expected to sanction / disburse as per the provisions of the current scheme and apprise the beneficiaries accordingly.
37	What is the process for claiming the reimbursement of the subsidy by PLI from CNA, as mentioned in point no. 15.2 (claim format)?	Based on the loan disbursed by a PLI to EWS and LIG beneficiaries, the CNA will release the subsidy amount to PLIs directly based on the claims submitted on the total loans disbursed. As such, PLIs would be required to submit a consolidated claim to the CNAs for disbursal of subsidy. The detailed process will be advised by the CNAs to the concerned PLIs.
38	Is resale from (builder/seller) is allowed under CLSS?	Resale cases would be allowed but it is incumbent upon banks to adopt their due diligence and banking mechanism processes to curtail speculative cases in this scenario.
39	Is there any specified format for or can we use our own format? (a) Customer affidavit for proof of income that he falls under EWS/LIG categories?	CNAs, with assistance of IBA, as necessary may devise their own formats in consultation with PLIs (with advice to

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		MoHUPA) in the matter.
	(b) Customers self-declaration for Manual Scavengers, Women (with overriding preference to widows), persons belonging to SC / ST / OBC / Minorities / PwD / Transgenders?	Certification procedure / formats adopted by appropriate government bodies will be adopted.
	(c) End-use certificate	CNAs and PLIs may monitor this aspect based on their own due diligence process for granting loans. PLIs may also discuss and finalise this format in consultation with CNAs.
	(d) Consolidated utilisation certificates	CNAs will devise their own formats in consultation with PLIs (with advice to MoHUPA) in the matter.