Housing for All by 2022 Mission

Implementation of Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana (Urban)

June 17, 2016



Housing for All by 2022 Mission - PMAY (U)

"In situ" Slum Redevelopment

- Using land as a resource
- With private participation
- Extra FSI/TDR to make projects financially viable

Subsidy for beneficiary-led individual house construction

- For individuals of EWS category requiring individual house
- State to prepare a separate project for such beneficiaries
- No isolated/ splintered beneficiary to be covered

Affordable Housing through Credit Linked Subsidy

Central Sector Scheme

Implemented by Gol, MoHUPA through Central Nodal Agencies

- Interest subvention subsidy for EWS and LIG for new house or incremental housing.
- All 4041 statutory towns as per Census 2011 are covered.

1, 3 & 4 implemented through State & UTs



Affordable Housing in Partnership

With private sector or public sector Central Assistance per EWS house in affordable projects



Credit Linked Subsidy Scheme (CLSS) - Objectives

- Enabling EWS/LIG household to have pucca home
- Providing Interest Subsidy upfront credit for acquisition, construction, extension or repair of home
- Expanding institutional credit flow to housing needs of urban poor
 - CLSS Vertical is a Central Sector Scheme.
 - Scheme Period is from June 17, 2015 to March 31, 2022.
 - Scheme covers all 4041 statutory towns as per Census 2011
 State/UT will have the flexibility to include planning area as notified, which surrounds the Statutory Town

Roles of the State/UT

- Signing a Memorandum of Agreement (MoA) with GoI to participate in the Mission.
- Designating a State Level Nodal Agency (SLNA).
- Sensitizing the State Government Agencies like ULBs.
- Creating awareness amongst Officials/Staff
- Redefining annual income criteria as per local conditions (if required) in consultation with Gol.
- Determining EWS area as per local needs, with information to Gol
- Deciding a cut-off date on which beneficiaries need to be resident of that urban area for being eligible to take benefits under CLSS.
- Including planning area as notified, which surrounds the Statutory Town
- Managing the CLSS Beneficiary Information sent by CNAs



Roles of ULB, SLNA, ...

- Facilitating the identified eligible beneficiaries in getting approvals and documents, etc. to avail of credit linked subsidy.
- Enabling the applications from intended beneficiaries to PLIs. In order to incentivize the designated staff of ULBs or NGOs a sum of Rs.250 per sanctioned application would be paid out of CLS Scheme funds payable through State Governments.
- Ensuring that individual houses constructed under CLSS should have provision for basic civic services like water, sanitation, sewerage, road, electricity, etc.
- Providing NOCs to beneficiaries who are availing CLSS benefits from PLIs, within 15 days of receipt of such requests
- SLNA is the single point contact for PLIs implementing the CLSS
- SLNA will link PLIs with Urban Local Bodies, Development Authorities, Housing Boards, etc.



Roles of Central Nodal Agency (CNA)

- Channelize the Credit Linked
 Subsidy to the Primary Lending
 Institutions
 - Scheduled Commercial Banks
 - Housing Finance Companies
 - Regional Rural Banks
 - State Cooperative Banks
 - Urban Cooperative Banks
 - Any other institutions as may be identified by the MoHUPA
- Monitor the progress of CLSS
- Provide periodic monitoring inputs to the MoHUPA through regular monthly and quarterly reports
- Put-in place appropriate mechanisms for the purpose

Role with Primary Lending Institution Disbursing Subsidy Sensitizing PLI to PLI **Execution of MOU** Post Disbursement with PLI Follow-up Steps Involved -(i) Obtaining Refund/ **Utilization Certificate Processing of** (ii) Undertaking Inspection Claim received (if required) from PLI Steps Involved -(i) Receipt of Master Information & Data in electronic **Document Mgt.**; and form **Preparation of Reports** (ii) Receipt of Claim Form (iii) Processing of Claim **Submission of** (iv) Making Query/ Reports/Information Communication with PLIs to Central/State Govt.s



Roles of Primary Lending Institution (PLI)

- Household Annual Income
 - EWS Up to Rs.3,00,000 (Rupees Three lakh).
 - LIG Between Rs.3,00,001 (Rupees Three lakh one) and up to Rs.6,00,000 (Rupees Six lakh).
- Carpet Area
 - EWS Upto 30 sq.m.
 - LIG Upto 60 sq.m.
- States can determine area of EWS as per their local needs with information to MoHUPA
- Interest subsidy @6.5% for loan amount upto Rs.6 lakh on NPV basis
 - 15 years or actual tenure of loan, whichever is lower

Role with Individual

Receiving Home Loan Application

(incl. Master Data, either directly or thru ULB/Agency identified by State/ULB)

Processing for Identification

(Linking identification to Aadhaar, Voter Card, Any other Unique Identification or a certificate of house ownership from Revenue Authority of Individual's native district to avoid duplication)

Undertaking Due diligence and Appraisal Processes

Processing Claim for Eligible Applicant

without taking processing fee for housing loan upto Rs.6 lakh from the Applicant (In lieu Rs.1,000 per loan will be paid by CNA)

Role with CNA

Registering with one CNA

(by signing the Memorandum of Understanding)

Flagging & Submitting the Claim along with Master Data

Receiving Subsidy from CNA

PLI Informing Beneficiary

(about her/his eligibility under CLSS)

PLI Crediting Upfront Subsidy to Beneficiary's A/c

Furnishing Utilization Certificate

Maintenance of CLSS Beneficiary Documents

(for verification during Inspection)



Implementation of Credit Linked Subsidy Scheme (CLSS) by NHB

- Signed MoUs with 145 PLIs
- Conducted 11 Regional Workshops on pan-India basis
- Implemented 24x7 on-line portal for submission of claims by Primary Lending Institutions
- Handholding PLIs for the use of on-line portal
- Disbursed Rs.108.55 crore to 53 PLIs for about 6,300 households in 29 States/UTs
- To avoid duplication, persuaded Credit Information Companies to add an additional field for capturing subsidy details



Feedback & Suggestions

- Committee of Secretary (HUPA) and Secretary (DFS) in Government of India is constituted for monitoring the CLSS, giving targets to PLIs, etc.
- SLNAs/PLIs can send their feedback/suggestions regularly to NHB on the issues being faced during implementation of the CLSS
- NHB would take up them with the Concerned Authorities, including the Committees constituted for the purpose, Central Government, RBI, State/UT Governments, etc. for successful implementation of the CLSS





vrajan@nhb.org.in

