

RESPONSE TO QUERIES RAISED BY P.L.I.s

(RECEIVED THROUGH N.H.B.)

Sl.	Query	Response
1.	In case of option 4 wherein customers can themselves carry out construction and seek benefit under the scheme, we seek clarification since the table mentions that "No isolated / splintered beneficiary to be covered".	It is clarified that Vertical 4 and CLSS are mutually exclusive. The correct interpretation of the Scheme Guidelines is to be clarified by CNAs.
2.	With reference to Page 6 sr. no. 5.1, 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. The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9 %. How the subsidy will be calculated for partly disbursed cases as loan is disbursed in stage based on progress or is this applicable only after the loan is fully disbursed? Is the PEMI amount payable is included in the subsidy claim over & above 15 yrs term as EMI. Please provide us the calculations of this working. In case of term of the loan is more than 15 yrs how will subsidy be calculated in such a scenario? Subsidy on Rs 6 lacs for 20 yrs loan term will be different than on the loan term of 15 yrs? Have you prepared any standard calculations for this?	Calculator has been developed and conveyed to CNAs.
3.	With reference to Page 7 s.r. no. 5.8, Preference under the Scheme, subject to beneficiaries being from EWS/LIG segments, should be given to Manual Scavengers, Women (with overriding preference to widows), persons belonging to Scheduled Castes/ Scheduled Tribes/ Other Backward Classes, Minorities, Persons with disabilities and Transgender. We wish to certify that the loan amount is linked to repayment capacity of the customer, as assessed by HDFC and there is no distinction or preference given to any	Subject to assessment of credit worthiness, due diligence and the beneficiaries being from EWS / LIG segments, preference under the Scheme will be given to Manual Scavengers, Women (with overriding preference to widows), persons belonging to Scheduled Castes / Scheduled Tribes/ Other Backward Classes, Minorities, Persons with disabilities.

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	specify category.	
4.	With reference to Page 20 s.r. no. 15.5, in lieu of the processing fee for housing loan for the borrower under the scheme, PLIs will be given a lump sum amount of Rs. 1000 per sanctioned application. PLIs will not take any processing charge from the beneficiary. If the loan amount is higher than Rs 6 lacs, can fee be charged as per the applicable norms on the differential amount? Can applicable Cersai charges be collected, even if no fee is payable by customer for loans upto Rs 6 lacs?	<p>(i) The scheme guidelines provide for a lump sum amount of Rs. 1000/- per sanctioned application for a loan amount of Rs. 6 lakh.</p> <p>(ii) PLIs may take a suitable decision at their end for the differential amount above Rs. 6 lakhs.</p> <p>(iii) Please also refer to CLSS FAQs¹ Sl. 18, pg.2.</p>
5.	With reference to Page 24 s.r. no. 7 under heading E, the lender/second party will monitor the construction of the dwelling units financed under the scheme, including the approvals for the building design, infrastructure facilities etc. as also the quality of the construction and verify through site visits etc. the expenditure incurred upto different stages of construction. As it is incumbent upon Third Party Quality Monitoring Agencies (TPQMA) to monitor and assure quality of the Mission, it is felt that the overlapping duty bestowed on the PLIs may be clarified owing to the expert monitoring agency established.	TPQMAs are to ensure quality of construction under the components of the Mission, other than CLSS.
6.	Whether NRI can be considered under this scheme.	NRIs can be considered provided they are eligible under the Scheme Guidelines and are also in compliance with other Gol/RBI rules, if any, applicable to NRIs.
7.	At point no 5.12 it is mentioned "Under the Mission, beneficiaries can take advantage under one component only. Since other three components are to be implemented by State Government through Urban Local Bodies/Authorities etc. and this component is to be implemented by PLIs, therefore, in order that beneficiaries do not take advantage of more than one component, PLIs should take NOCs quarterly from State/UT Governments or designated	<p>(i) Para 5.12 has already been amended and is available on MoHUPA website.</p> <p>(ii) It is also stated that NOC for a beneficiary has to be taken before credit of subsidy. The subsidy amount will not be sanctioned /released if the beneficiary has taken advantage of any other component under HFA.</p>

¹ http://mhupa.gov.in/writereaddata/2_FAQs_CLSS_Workshop_24July15.pdf

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	<p>agency of State/UT Governments for the list of beneficiaries being given benefits under credit linked subsidy. For enabling this process, the beneficiaries should be linked to his/her Aadhaar/Voter ID Card/Any other unique identification Number or a certificate of house ownership from Revenue Authority of Beneficiary's native district and State/UT Government or its designated agency should furnish the NOC within 15 days of receipt of such request.”</p> <p>In this context, please clarify whether the NOC is to be taken on quarterly basis even after the sanction and disbursement of the loan and what will be status on the loan sanctioned if the beneficiary has taken advantage of any other component.</p>	
8.	<p>2.5 under Coverage and Duration - The houses constructed / acquired with central assistance under the mission should be in the name of the female head of the household or in the joint name of the male head of the household and his wife, and only in cases when there is no adult female member in the family, the house can be in the name of male member of the household. We would like to draw your attention to few of the various possible situations.</p> <p>a. If the loan is extended for a new purchase, this condition can be fulfilled.</p> <p>b. If it is a case of existing possession than the owner of the house / land cannot be ascertained to be a lady.</p> <p>a. Example: - Jahangir Puri, Delhi. The plots were allotted in 1972 with only a possession slip in the name of “Head-of-Family” at that point of time. These were Men most of the time. This possession slip is non-transferable</p> <p>b. Example: - SavdaGhevra, Delhi. The plots were allotted in 2006 against a license. Again, the licenses were drawn in the name of “Head-of-Family” at that point of time. Again these were Men most of time. The license is non-transferable.</p>	<p>Please refer to Para 2.5 of the Scheme Guidelines. It is clarified that the condition laid down in the Scheme Guidelines that the house should be in the name of the female member of the household is applicable only for new purchases and not for new construction (on an existing piece of land) or for enhancement/repairs of an existing house.</p>

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	<p>In both the above examples, at best an “irrevocable WILL” can be signed in favour of the Lady of the house but that do not gives the title of property to the Lady.</p> <p>This clearly, do not fulfil the condition as stipulated in point 2.5 above.</p>	
9.	<p>In case the customer closes his account prematurely after availing the subsidy, then whether the banks are required to reverse the subsidy.</p>	<p>This aspect is covered in Sl.1 above.</p>
10.	<p>Whether Banks involvement is required only in affordable housing through Credit Linked Subsidy Scheme or in other verticals also.</p>	<p>Banks involvement is in Credit Linked Subsidy Scheme vertical of the HFA (Urban) Mission. In so far as the other verticals are concerned, the banks are free to be involved; however, no Government of India support/ subsidy is prescribed in the scheme guidelines.</p>
11.	<p>Whether the processing charges includes service charge component.</p>	<p>The processing charge of Rs.1000/- per sanctioned application is all inclusive, including all taxes/levies.</p>
12.	<p>Whether PLIs can fix the repayment tenure of more than 15 years to benefit eligible loanees under the scheme.</p>	<p>(i) The interest subsidy will be for tenure of 15 years or during the tenure of the loan whichever is lower.</p> <p>(ii) PLIs can fix the repayment tenure of more than 15 years, but the interest subvention will be applicable for tenure upto 15 years.</p>