

PRADHAN MANTRI AWAS YOJANA-HOUSING FOR ALL (URBAN) CREDIT LINKED SUBSIDY SCHEME (CLSS)

1	Mission and & Duration	<p>“Housing for All” Mission for Urban area will be implemented during 2015-2022 . The mission will be implemented through four verticals giving option to beneficiaries, Urban Local Bodies(ULB) and State Governments, as under:-</p> <ul style="list-style-type: none"> i) “In Situ” slum Redevelopment ii) Affordable housing through Credit Linked Subsidy iii) Affordable Housing in Partnership iv) Subsidy for beneficiary-led individual house construction. <p>Out of the above, Affordable Housing through Credit Linked Subsidy will be implemented through Banks/Financial Institutions, under the mission. The beneficiary can take advantage under only one component, from above.</p> <p>The Mission will be effective from 17.06.2015 to 31.03.2022.</p>
2	Coverage	<p><u>The Scheme will cover 4041 statutory towns as per Census 2011. List of 4041 statutory towns as per Census 2011 is available in www.nhb.org.in</u></p>
3	Purpose	<ul style="list-style-type: none"> ➤ Credit Linked Subsidy will be available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc., to existing dwelling as incremental housing. ➤ The carpet area* of house being constructed or enhanced under this component of the mission should be upto 30 sq.meters for EWS Category and upto 60 square meters for LIG category. ➤ The beneficiary, at his/her discretion, can build a house of larger area but interest subvention would be limited to first Rs.6 lakh only.
		<p>Carpet Area*: Area enclosed within the walls, actual area to lay the carpet. This area does not include the thickness of the inner walls.</p>
4	Beneficiary	<p>Individual/s from Economically Weaker Section(EWS) and Low Income Group(LIG) seeking housing loans from Banks, Housing Finance Companies and other such institutions.</p>
5	Definition-EWS	<p>EWS households are defined as households having annual income up to Rs.3,00,000(Rs.Three lakhs). State/UTs shall have the flexibility to re-define the annual income criteria as per local conditions in consultation with the centre.</p>

6	Definition-LIG	LIG Households are defined as households having an annual income between Rs.300,001(Rupees Three Lakhs One) upto Rs.6,00,000(Rupees Six Lakhs). States/UTs shall have the flexibility to redefine the annual income criteria as per local conditions in consultation with the centre
7	Self attested certificate/affidavit	For identification as EWS/LIG beneficiary under the scheme, an individual loan applicant will submit self-attested certificate/affidavit as proof of income(Annexure-II)
8	Beneficiary-family	The beneficiary family will comprise husband, wife and unmarried children.
9	Beneficiary/family not to own a pucca house	The beneficiary family should not own a pucca house(an all whether dwelling unit) either in his/her name or in the name of any member of his/her family in any part of India.
10	Age Limit	Maximum 70 years, at the end of repayment period.
11	Ownership of house acquired under mission	The house 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.
12	Preferential beneficiaries	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.
13	Period of stay in Urban area	States/UTs at their discretion, may decide a cutoff date on which beneficiaries need to be resident of that urban area for being eligible to take benefits under the scheme.
14	Assistance by SLNA	State Level Nodal Agency (SLNA) identified by State/Union Territory (UT) for implementing the mission will facilitate the identified eligible beneficiaries in getting approvals and documents etc., to avail credit linked subsidy.
15	Formation of RWS	State/UT/Government and Implementing Agencies should encourage formation of association of beneficiaries like Residents' Welfare Association (RWA) etc. to take care of maintenance of houses being built

		under the mission.
16	Identification Documents.	Primary Lending Institutions shall link beneficiary identification to Aadhaar, Voter Card, any other unique identification or a certificate of house ownership from Revenue Authority of Beneficiary's native district to avoid duplication.
17	Process of Application	Beneficiary can apply for a housing loan directly or through the ULB or the local agencies identified by the State/ULBs for facilitating the applications from intended beneficiaries. 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.
18	Central Nodal Agencies (CNAs) and Registration with CNA	Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been identified as Central Nodal Agencies (CNAs) to channelize this subsidy to the lending institutions and for monitoring the progress of this component. Ministry may notify other institutions as CNA in future.
		CNAs will be responsible for ensuring proper implementation and monitoring of the scheme. CNAs will provide periodic monitoring inputs to Ministry of Housing and Urban Poverty Alleviation through regular monthly and quarterly reports
		Primary Lending Institutions(PLIs) can register only with one CNA by signing MOU as provided in Annexure-I of the Scheme Guidelines.
		Accordingly, Our Bank has entered in to MOU with National Housing Bank.
19	Loan Amount	Maximum Limit as per guidelines of Priority Sector norms for Home Loans; Present norms for coverage of home loan under Priority Sector is as under:- i. Metropolitan centres with population above 10 Lakh: Loans to individuals upto Rs.28 Lacs(with value of house not exceeding Rs.35 Lacs) ii. Other Centres with population below 10 lakh: Loan to individuals upto Rs.20 lacs(with value of house not exceeding Rs.25 lacs)

20	Margin	For loan upto Rs.20 Lacs- Margin 15% For loan over Rs.20 lacs upto Rs.28 Lacs- Margin-20% Margin calculated on the pure cost of the house/flat, excluding stamp duty, registration and other documentation charges. <u>Wherever cost of the house does not exceed Rs.10 Lacs, Stamp duty, registration and other documentation charges can be included in the project cost.</u>
21	Disbursement of Loan	Procedure of disbursement, as per guidelines under Star Home Loan Scheme. <u>Disbursement to be made in not more than 4 instalments</u> depending upon progress of construction, as subsidy will be released to the bank by NHB in maximum four instalments.
22	Take Home Pay	Total deduction from Gross income, including proposed EMI on Home Loan, not to exceed 50% of the Gross Income. Net take home pay should not be less than 50% of the Gross Income of the applicant/s for loan limit upto Rs.10 Lacs. For loan over Rs.10 Lacs, total deduction from Income, including EMI on proposed home loan not to exceed 60% of the Gross Income of the applicant.
23	Repayment Period	Maximum Repayment Period- 15 Years including Moratorium period upto maximum 36 months.
24	Rate of Interest	CLICK HERE
25	Processing Charge	No Processing Charge to be collected from applicant. 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.
26	CERSAI Charges	To be collected from the borrowers
	Security	Equitable/Legal Mortgage of the property financed by the Bank.
27	Document to be obtained	As per Home Loan Scheme
28	Income Proof	For identification as an EWS or LIG beneficiary under the scheme, an individual loan applicant will submit self-certificate/affidavit as proof of income- Annexure –II <i>Where the borrower is required to file Income Tax Returns as per existing Income Tax Rules the borrower has to submit proof of IT Returns as per extant norms of housing loan scheme.</i>

29	Balance Transfer –Case of non-eligibility.	i. In case a borrower has taken a housing loan and availed of interest subvention under the scheme but later on switches to another PLI for balance transfer, such beneficiary will not be eligible or claim the benefit of interest subvention again.
30	Beneficiary to take advantage only under one component of the mission. Requirement of obtention of NOC	ii. 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 (i.e CLSS)is to be implemented by PLIs, to ensure that beneficiaries do not take advantage of more than one component, PLIs should take NOCs quarterly from State/UT Governments or designated agency of State/UT Governments for the list of beneficiaries being given benefits under credit linked subsidy. iii. For enabling this process, the beneficiaries should be linked to his/her Aadhar/Voter ID Card/Any Other Unique Identification Number or a certificate of house ownership from Revenue Authority of Beneficiaries' native district and State/UT Government or its designated agency should furnish the NOC within 15 days of receipt of such request.
	Special Provision till 31.12.2015	iv. <u>Till 31.12.2015, however, or until States/UTs sign Memorandum of Agreement under the Mission, whichever is later</u> , instead of taking NOC from States/UTs, CNAs on behalf of banks would send list of beneficiaries CLSS on fortnightly basis to concerned States/UTs.
		Concerned States/UTs will consider this list while deciding beneficiaries under other three verticals of the Mission so that no beneficiary is granted double benefit under the Mission.
31	Interest Subsidy	Beneficiaries of Economically Weaker Section(EWS) and Low Income Group seeking housing loans from Banks, Housing Finance Companies and other such institutions would be eligible for: a) Interest Subsidy at the rate of 6.5% for a tenure of 15 years or during tenure of loan whichever is lower (<i>Tenure of Loan is inclusive of moratorium period</i>). The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9%.

		b) The Subsidy will be available only for loan amounts upto Rs.6 Lakhs. Additional loans beyond Rs.6 Lakhs, if any, will be at nonsubsidized rate. Interest Subsidy will be credited upfront to the loan account of beneficiaries through lending institutions resulting in reduced effective housing loan and Equated Monthly Instalment (EMI).(EMI to be stipulated on Loan Amount <u>less</u> Eligible Subsidy Amount-calculated at discount rate of 9%. NPV calculator is available on NHB Website: www.nhb.org.in)
32	Interest subsidy for existing accounts	c) 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.
33	Subsidy Management	An advance subsidy will be released to each CNA at the start of the scheme. Subsequent amount of credit linked subsidy will be released to the CNAs after 70% utilization of earlier amounts, on quarterly basis, and based on claims raised by CNAs.
		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. Subsidy will be released to the PLI by the CNA in maximum of four instalments.
		0.1% of total fund disbursement by the CNAs to the PLIs will be paid to the CNAs for their administrative expenses.
		On receipt of information regarding the loan disbursed to eligible borrower/beneficiary, the CNA will release the subsidy amount directly to the PLI.
		Subsidy will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount of the borrower. The borrower will pay EMI as per lending rates on the remainder of the principal loan amount.

34	Subsidy : Responsibilities of the Lender	The Lender to pass on the entire benefit of the subsidy to the borrowers/beneficiaries
		The Lender will exercise due diligence in risk assessment and will adopt diligent appraisal and sanction procedures, including assessment of the loan eligibility and the repayment capacity of the borrower/beneficiary.
		The lender will adhere to all the extant guidelines issued by the MoHUPA, Government of India under the "Housing for All By 2022" mission including the modifications/amendments to the guidelines from time to time.
		The lender 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.
		The lender will provide (i) utilization/end use certificate to the CNA(National Housing Bank) on quarterly basis and also (ii) the certificate in relation to the physical progress of the construction leading to the completion of the housing unit. The lender shall submit a (iii) consolidated utilization certificate on completion of the housing unit within one year period from the completion of the construction or a maximum of 36 months from the date of the disbursement of 1 st instalment of the loan amount. (iv) In case of default in not providing utilization/end-use certificate the lender shall refund the amount of subsidy to the CNA(National Housing Bank). Further any unutilized amount of subsidy shall be immediately returned by the Lender to the CNA (i.e National Housing Bank).
35	Rules for return of subsidy in case of foreclosure of property in NPA Account	In the event of default in repayment of the loan by the borrower/beneficiary to the Bank and the loan becoming Non Performing Assets(NPA), the Bank will proceed for recovery of dues through such measures as considered appropriate, including foreclosure of the property. In all such cases, the amount of the recoveries will be charged to the subsidy amount on a proportionate basis(in proportion to the loan outstanding and subsidy disbursed).

36	MIS Code	All accounts financed under the scheme to specifically mention MIS codes as under for monitoring the performance under the scheme and for subsidy management. MIS Code:445 under Free Code 3.
37	Full Scheme Guidelines	Pradhan Mantri Awas Yojana-Housing For All(Urban)Scheme Guidelines 2015- Available in NHB Website: www.nhb.org.in
38	Statement of Account to the Borrower	Bank shall provide a statement of account to the borrower, which will make him/her understand the amount given as subsidy, how the subsidy has been adjusted and the impact of the subsidy on his/her equated monthly instalments(EMI).
39	Information to borrower about Fixed/Floating ROI	Bank shall clearly explain to the borrower the consequences of availing of loan on fixed/floating rate of interest.
40	Frequently Asked Questions(FAQ)	For further clarification on the subject branches may refer to the FAQ available in NHB Website: www.nhb.org.in
41	Common Application Form	Common Application form devised by IBA, duly modified by us, is attached as Annexure-III.
42	Acknowledgement of Application	All applications/documents(list as per Annexure-IV) received to be acknowledged by an authorized official of the Bank with his name and contact number.
43	Operational Guidelines for claiming subsidy	To be issued separately .