



PRADHAN MANTRI AWAS YOJANA - 2019 “HOUSING FOR ALL”



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INTRODUCTION

- ❖ Pradhan Mantri Awas Yojna (PMAY) is a mission started with an aim 'Housing For All' (HFA) scheme by NDA Government to be achieved by the year 2022, that is when India will be completing its 75 years of Independence.
- ❖ The mission started in 2015 and will be attained in seven years i.e. during 2015 – 2022.

HOUSING FOR ALL (HFA) SCHEME

- This Housing for All (HFA) scheme is envisioned by our Honorable Prime Minister Mr. Narendra Modi.
- As addressed by our Prime Minister in the joint session of parliament on 9th June, 2014.
- “By the time the Nation completes 75 years of its Independence, Pradhan Mantri Awas Yojna will bring a ‘Pucca house’ for every family in urban cities with water connection, toilet facilities, 24x7 electricity supply and complete access.”

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HOUSING FOR ALL MISSION

“Housing for all” Mission for Urban area will be implemented during 2015-2022. The Mission will be implemented through four verticals giving options to beneficiaries, ULB and State Governments as under:

- 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.

Out of above, affordable Housing through Credit Linked Subsidy will be implemented through Banks/FI, under the mission.

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OBJECTIVE OF PMAY

A comprehensive mission of PMAY Housing Scheme aims to create:

- ❖ Affordable homes with water connection, toilet facilities, 24x7 electricity supply and complete access.
- ❖ 2 crore houses to be built across nation's length and breadth.
- ❖ Targeting the Lower Income Groups (LIG) and Economically Weaker Section of our society (EWS), basically the urban poor by the year 2022.
- ❖ The scheme is applicable for MIG-I & MIG-II up to 31st March 2021 and for EWS/LIG up to 31st March 2022.
- ❖ 2 million non-slum urban poor households are proposed to be covered under the Mission.

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PURPOSE OF PMAY

The Scheme will cover all statutory towns as per Census 2011. List available at Website WWW.nhb.org.in.

- 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 the mission should be up to 30 sq. meter for EWS category, up to 60 sq. meter for LIG category, 160 sq. meter for MIG I category & 200 Sq. meter for MIG II Category.
- The beneficiary at his/her discretion could build a house of large area but interest subvention would be limited to specified limit as per the scheme.

Carpet Area*:- Area enclosed within the walls, actual area to lay the carpet. This area does not include the thickness of the inner walls.

BENEFICIARY OF PMAY

Individual/s from Economically Weaker Section (EWS), Low Income Group (LIG), MIG-I and MIG-II seeking housing loans from Banks, Housing Finance Companies and other such institutions.

- **EWS:-** Households having annual income up to Rs. 3.00 lakh.
- **LIG:-** Households having Annual income between Rs.300,001 up to Rs. 6.00 lakh.
- **MIG I:** Households having annual income above Rs. 6.00 lakh & up to Rs. 12.00 lakh.
- **MIG II:** Households having annual income above Rs. 12.00 lakh & up to Rs. 18.00 lakh.

State/UTs shall have the flexibility to re-define the annual income criteria as per local conditions in consultation with the centre.

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BENEFICIARY OF PMAY

- For identification as EWS/LIG beneficiary under the scheme, an individual loan applicant will submit self attested certificate/affidavit as proof of income.
- The beneficiary family will comprise husband, wife and unmarried children.
- The beneficiary family should not own a pucca house either in his/her name or in the name of any member of his/her family in any part of India.
- Maximum 70 years, at the end of repayment period.

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OWNERSHIP OF HOUSE

- For EWS/LIG beneficiary under the scheme, 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.
- For MIG-I and MIG-II, the house constructed should be in the name of either of the spouses or both together in joint ownership will be eligible for a single house.

PREFERENTIAL BENEFICIARIES

Preference under the scheme, subject to beneficiaries being from EWS/LIG segments:

- Manual Scavengers;
- Women (with overriding preference to widows);
- Persons belonging to Scheduled Castes;
- Scheduled Tribes;
- Other Backward Classes;
- Minorities;
- Persons with disabilities; and
- Transgender.

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CENTRAL NODAL AGENCIES

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.



LOAN AMOUNT & MARGIN

Maximum Loan Limit as per guidelines of Priority Sector Norms for Home Loans:

- i. **Centres with population above Rs. 10 lakh:** Loans to individuals up to Rs. 35 lakh (with value of house not exceeding Rs. 45 lakh).
- ii. **Other centres with population below 10 lakh:** Loan to individuals up to Rs. 25 lakh (with value of house not exceeding Rs. 30 lakh).

Margin:

For loan up to Rs 30 lakh - Margin 10% on pure cost.

N.B.- Where the cost of house does not exceed Rs 10 lakh. Stamp duty, registration and other documentation charges can be included.

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NET TAKE HOME PAY & REPAYMENT

- **Take Home Pay:-** Total deduction from gross Income, including proposed EMI on Home loan, not to exceed 50% of the gross Income. NTHP should not be less than 50% of gross income of the applicant for loan up to Rs. 10 lakh. For loan over Rs. 10 lakh total deduction from income including EMI on proposed home loan not to exceed 60% of the Gross Income of the applicant.
- **Repayment:-** 20 years including moratorium period.

OTHER TERM & CONDITION

- ❖ **Security:- EQM/Legal mortgage of the property.**
- ❖ **CERSAI charges to be collected from the borrower.**
- ❖ **Common Application form devised by IBA.**
- ❖ **Documents to be obtained As per Home Loan scheme.**



OTHER TERM & CONDITION

- ❖ Disbursement to be made in not more than 4 instalments depending upon progress of construction, as subsidy will be released to the bank by NHB in maximum four instalments.
- ❖ 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. 3000/- per sanctioned application.
- ❖ Bank shall provide a statement of account to the borrower, which will make him/her understand the amount given as subsidy.

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INTEREST SUBSIDY

- i. Interest subsidy at the rate of 6.5% (EWS/LIG), 4% (MIG-I) & 3% (MIG-II) for a tenure of 20 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%.
- ii. The subsidy will be available only for loan amounts up to Rs. 6.00 Lakh for EWS/LIG, Rs. 9.00 Lakh for MIG-I & Rs. 12.00 Lakh for MIG-II.
- iii. Interest Subsidy maximum Rs. 2.67 Lakh for EWS/LIG, Rs. 2.35 Lakh for MIG-I & Rs. 2.30 Lakh for MIG-II will be credited upfront to the loan account of beneficiaries through lending institutions resulting in reduced effective housing loan and Equated Monthly Instalment (EMI).
- iv. EMI to be stipulated on Loan Amount less Eligible Subsidy Amount-calculated at discount rate of 9%. NPV calculator is available on NHB.



KEY PARAMETERS OF CREDIT LINKED SUBSIDY

Scheme Type	EWS/LIG	MIG – I	MIG – II
Eligibility Family Income (Rs.)	EWS – Rs. 0 to Rs. 3, 00,000 LIG – Rs. 3,00,001 to Rs. 6,00,000	Rs. 6,00,001 to Rs.12,00,000	Rs.12,00,001 to Rs.18,00,000
Carpet Area-Max (sq. m.)	30 sqm (EWS) / 60 sqm (LIG)	160 sqm	200 sqm
Subsidy calculated on a max loan of	Rs. 6,00,000	Rs. 9,00,000	Rs. 12,00,000
Interest Subsidy %	6.50	4.00	3.00
Max Subsidy (Rs.)	2.67 Lakh	2.35 Lakh	2.30 Lakh
Validity of scheme	31 March 2022	31 March 2020	31 March 2020
Woman Ownership	Mandatory	Non Mandatory	Non Mandatory

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INTEREST SUBSIDY

- ❖ **Interest subsidy for existing accounts:-** 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.
- ❖ **In event of default in repayment of loan by the borrower to the bank and the loan becoming NPA. the Bank will proceed for recovery of dues, including foreclosure of the property. In all such cases ,the amount of the recoveries will be changed to the subsidy amount on a proportionate basis.**



SUBSIDY MANAGEMENT

- An advance subsidy will be released to each (Central Nodal Agencies) 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.
- 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.

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For further clarification on Pradhan Mantri Awas Yojana Scheme Guidelines 2015 - Available in NHB Website:

<https://nhb.org.in/>

<https://pmaymis.gov.in/>

<http://www.pradhanmantriawasyojna.com/>

Thank You

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