



**CREDAI**  
AFFORDABLE HOUSING COMMITTEE PRESENTS

**AFFORDABLE  
HOUSING  
SUNDAY  
BULLETIN  
ISSUE : 2**

**DATE:**

**11-03-2018**

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 1. What is Pradhan Mantri Awas Yojana (PMAY)-U ?**

A. HFA is a Programme launched by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), in Mission mode which envisions provision of Housing for All by 2022 when the Nation completes 75 years of its Independence. The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals: (i) Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource (ii) Promotion of Affordable Housing for weaker section through credit linked subsidy (iii) Affordable Housing in Partnership with Public & Private sectors (iv) Subsidy for beneficiary-led individual house construction.

### **Q. 2 . What is the Coverage of PMAY-U ?**

A. All statutory towns as per Census 2011 and towns notified subsequently including Notified Planning/Development areas shall be eligible for coverage of mission.

Areas Falling within notified planning/development area under the jurisdiction of an Industrial Development Authority/Special area development authority/Urban development authority or any such authority under state legislation which is entrusted with function of urban planning and regulations shall also be included for the coverage under PMAY (U)

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 3. Definition of EWS/LIG/MIG –I/MIG-II categories for the purpose of the Scheme?**

A. The EWS/LIG categories are defined as follows:

- EWS households with an annual income upto Rs. 3.00 lakhs.
- LIG households with an annual income between Rs. 3.00 lakhs to Rs. 6.00 lakhs.
- MIG-I households with an annual income between Rs. 6.00 lakhs to Rs. 12.00 lakhs
- MIG-II households with an annual income between Rs. 12.00 lakhs to Rs. 18.00 lakhs

States/UTs have flexibility to redefine the annual income criteria as per local needs with the approval of Ministry.

### **Q. 4. Whether a beneficiary can avail of benefit under more than one component? ?**

A. No. Under the mission, a beneficiary can avail of benefit of one component only.

### **Q. 5. How is a “house” defined as a EWS /LIG/MIG-I/MIG-II House?**

A. A house is defined as an all-weather single unit or a unit in a multi-storeyed super structure having carpet area(as defined under RERA)of upto 30 sq. m. for EWS category,upto 60 sqm. for LIG category,upto 120 sq.m for MIG-I and upto 150 sq,m for MIG-IIwith adequate basic civic services and infrastructure services like toilet, water, electricity, etc

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 6. What is Credit Linked Subsidy Scheme for EWS/LIG?**

**A.** Beneficiaries of EWS & LIG seeking housing loans from Banks, HFC's and other such institutions would be eligible for an interest subsidy at the rate of 6.5% for a tenure of 20 years or during tenure of loan whichever is lower.

The credit linked subsidy will be available only for loan amounts upto Rs 6 lakhs and additional loans beyond Rs. 6 lakhs, if any, will be at nonsubsidized rate. Credit linked subsidy would be available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc. to existing dwellings as incremental housing. 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.

### **Q. 7. What is Credit Linked Subsidy Scheme for MIG-I and MIG-II?**

**A.** The newly launched CLSS for MIG covers two income segments in the MIG viz. Rs.6,00,001 to Rs.12,00,000 (MIG-I) and Rs.12,00,001 to Rs.18,00,000 (MIG-II) per annum. In the MIG-I, an interest subsidy of 4% has been provided for loan amounts up to Rs.9 lakh while in MIG-II, an interest subsidy of 3% has been provided for loan amount of Rs.12 lakh. The interest subsidy will be calculated at 9% NPV over a maximum loan tenure of 20 years or the actual tenure, whichever is lesser. Housing loans above Rs. 9 lakh and Rs. 12 lakh will be at non-subsidized rates.

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 8. What is subsidy amount availed by beneficiaries under Credit Linked Subsidy Scheme ?**

A. The approximate subsidy amount which can be availed under CLSS by beneficiaries is as under-

- EWS & LIG Category :- Approximate amount upto Rs. **2,67,280/-**
- MIG-I Category :-Approximate amount upto Rs.**2,35,038/-**
- MIG-I Category :-Approximate amount upto Rs.**2,30,156/-**

### **Q. 9. What is the process of crediting the interest subsidy under CLSS?**

A. The subsidy would be released by the CNAs based on the disbursements made by PLIs to the beneficiaries. Subsidy, so disbursed by the CNA to the PLI, will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount. As a result, the borrower will pay EMI on the remainder of the principal loan amount. E.g., the borrower avails a loan for Rs. 6.00 lakhs and subsidy thereon works out to Rs. 2.67 lakhs, the amount (Rs. 2.67 lakhs) would be reduced upfront from the loan (i.e., the loan would reduce to Rs. 3.33 lakhs) and the borrower would pay EMIs on the reduced amount of Rs. 3.80 lakhs.

### **Q.10. Who are Primary Lending Institutions?**

A. Primary Lending Institutions are Scheduled Commercial Banks, Housing Finance Companies, Regional Rural Banks (RRBs), State Cooperative Banks, Urban Cooperative Banks or any other institutions as may be identified by the MoHUPA.

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

**Q. 11. What happens where a beneficiary having availed housing loans from one of the PLIs and also benefit under CLSS, switches over to another PLI for taking advantage of the reduced interest rate?**

**A.** A beneficiary who has taken a housing loan and availed of interest subvention under the scheme but later on switches to another PLI for balance transfer will not be eligible or claim the benefit of interest subvention again. Beneficiary can claim interest linked subsidy on only one loan account.

**Q. 12. What is Affordable Housing Through Partnership?**

**A.** Affordable Housing through Partnership will be implemented through :

- States/UTs/ULBs/Parastatals with no private sector
- States/UTs/ULBs/Parastatals with private sector

The Mission will provide central financial assistance of Rs. 1.5 Lakh and state financial assistance of Rs.1 Lakh per EWS house being built under these different partnerships by States/UTs/Cities.

**Q.13. How will the beneficiaries be selected under AHP?**

**A.** State/Cities will undertake a demand survey through suitable means to assess the actual demand for housing and potential beneficiaries. The information about the eligible beneficiaries from this survey and other available data will be contained in Housing for All Plan of Action (HFAPoA) in prescribed formats along with interventions selected out of the four verticals of the Mission.

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

**Q. 14. What will be the role and contribution of State/UTs/Parastatal bodies for Affordable Housing in Partnership scheme?**

A. The States / UTs / Parastatal bodies will have the following roles :

- Decide on the implementation mechanism.
- Decide on an upper ceiling on the sale price of EWS houses in rupees per square meter of carpet area with an objective to make them affordable and accessible to the intended beneficiaries.
- Provision or extension of other concessions such as the State subsidy, land at affordable cost, stamp duty exemption etc.
- DPRs for such projects will be approved by SLSMC.
- A transparent process for allotment to eligible beneficiaries will be approved by SLSMC.

**Q. 15. Whether the mix of houses for different categories (EWS, LIG, HIG etc) for Affordable Housing in Partnership scheme possible?**

A. An affordable housing project can be a mix of houses for different categories (EWS, LIG, and HIG etc) but it will be eligible for central assistance, if at least 35% of the houses in the project are for EWS category and a single project has at least 250 houses. CSMC, however, can reduce the requirement of minimum number of houses in one project on the request of State Government.

## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 16. What's PUBLIC PRIVATE PARTNERSHIP POLICY(PPP) for affordable housing ?**

A. Ministry of Housing and Urban Affairs (MoHUA) has issued Public Private Partnership Models for Affordable Housing Policy dated September 2017 under Pradhan Mantri Awas Yojana (Urban). Under this policy, eight generic PPP structure models have been constituted (Six for projects on government land and two for projects on private land).

#### **PPP Models on Government Land**

- Subsidized Housing Project on Government Land
- Mixed Development Cross-subsidized Housing
- Annuity Based Subsidized Housing
- DBFMT : Annuity cum Capital/Grant based Subsidized Housing
- Direct Relationship Ownership Housing
- Direct Relationship Rental House

#### **PPP Models on Private Land**

- Private-land based Subsidized Housing (CLSS )
- Private-land Based Subsidized Housing(AHP Scheme)

### **Q.17. What Is Subsidy for Beneficiary-led individual house construction?**

A. This is assistance to individual eligible families belonging to EWS categories to either construct new houses or enhance existing houses on their own to cover the beneficiaries who are not able to take advantage of any other component of the mission. Such families may avail of central assistance of Rs. 1.5 lakh and should be part of HFAPoA.

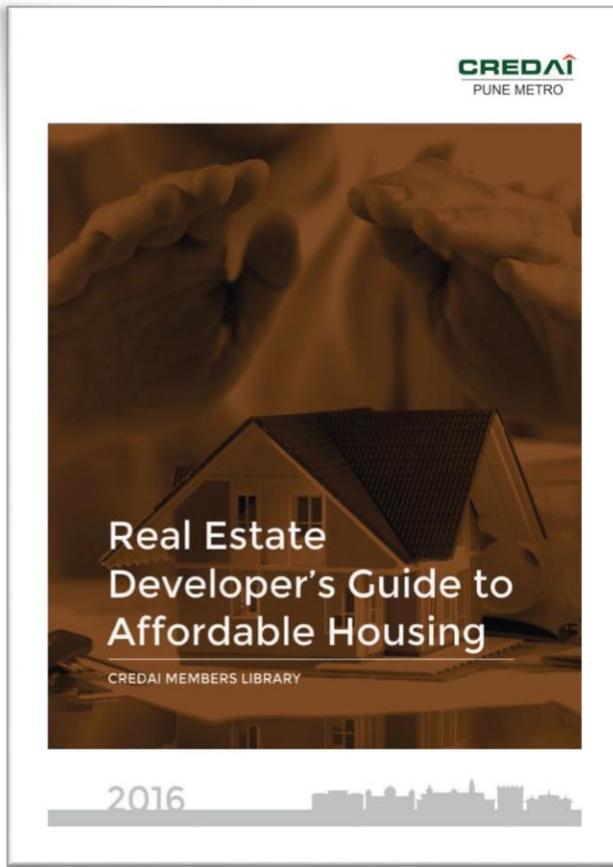
## **FAQ'S - PMAY- HOUSING FOR ALL(URBAN) MISSION**

### **Q. 18. What are the reforms proposed under HFA Mission ?**

A. For participating in the mission and to avail of financial assistance from Central Government, States/UTs should agree to fulfill following Mandatory Conditions:-

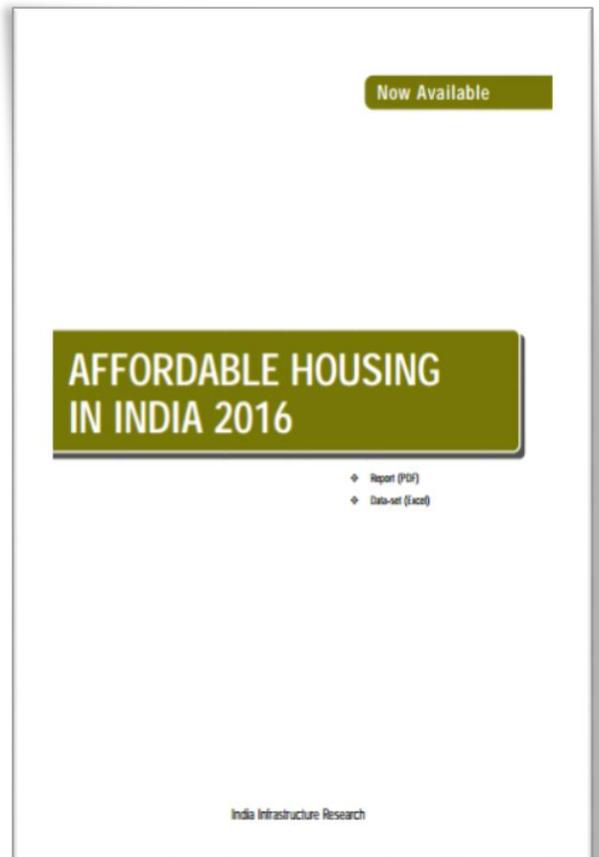
- State/UTs to make suitable changes in the procedure and rules for obtaining the need for separate Non Agricultural (NA) Permission if land already falls in the residential zone earmarked in Master Plan of city or area.
- States/UTs shall prepare/amend their Master Plans earmarking land for Affordable Housing.
- A System should be put in place to ensure single-window, time bound clearance for layout approval and building permissions at ULB level.
- States/UTs shall adopt the approach of deemed building permission and layout approval on the basis of pre-approved lay outs and building plans for EWS/LIG housing or exempt approval for houses below certain built up area or plot area.
- States/UTs would either legislate or amend existing rental laws on the lines of model Tenancy Act being prepared by Ministry.
- States/UTs shall provide additional FAR/FSI/TDR and relaxed density norms for slum redevelopment and low cost housing, if required

# Books and references available for Affordable Housing

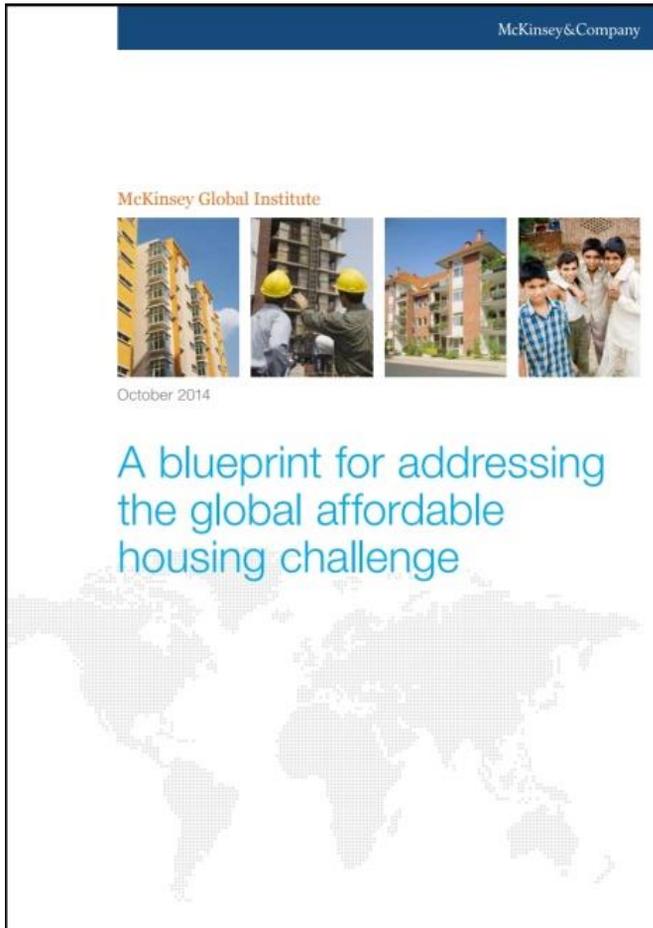


## **CREDIA Pune Metro** Guide to Affordable Housing

## **Research Report** Affordable Housing in India

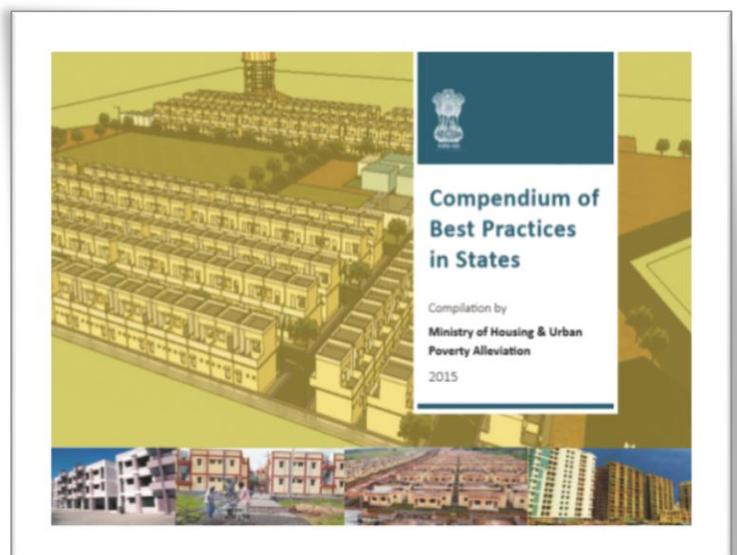


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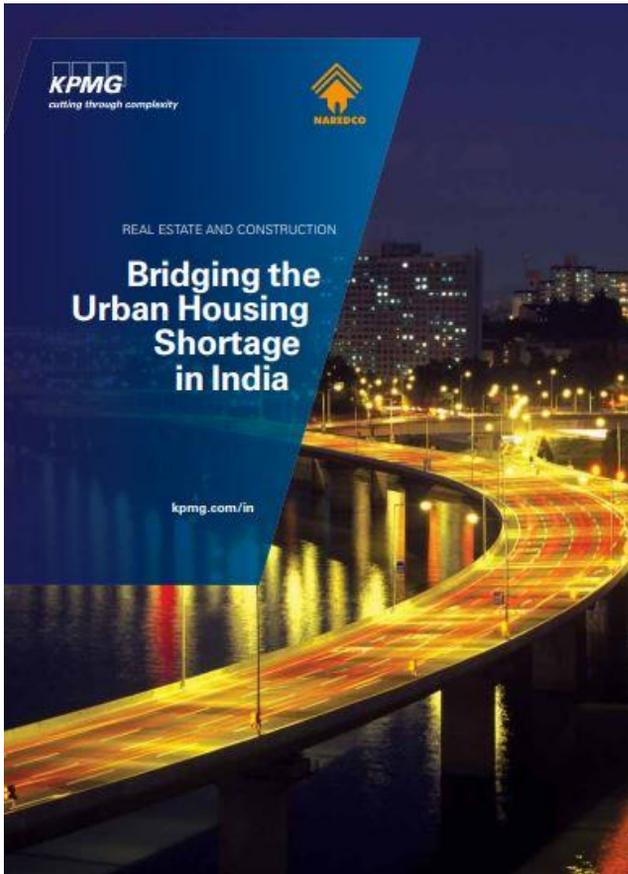


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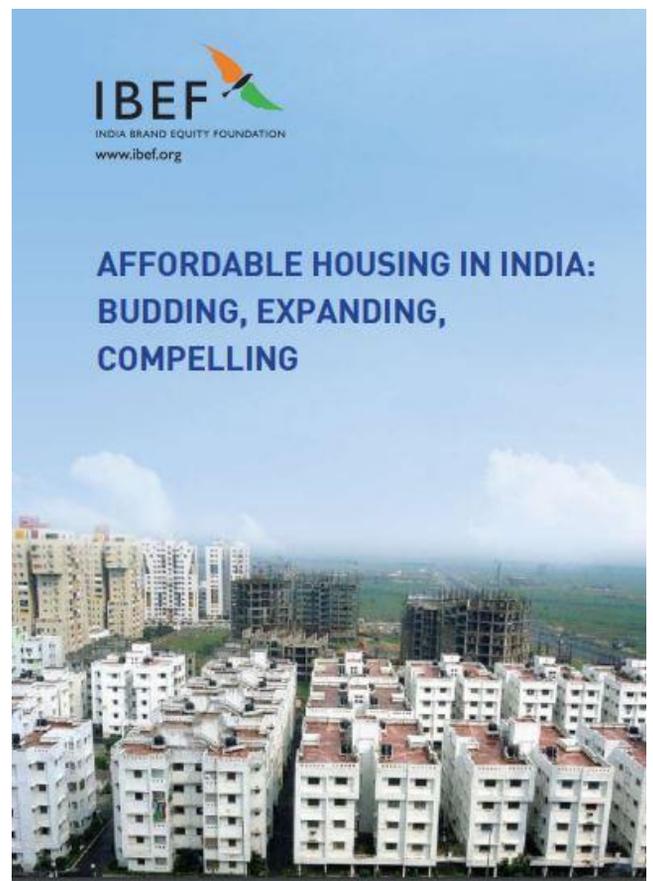


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on.point

## Affordable Housing in India

An Inclusive Approach to Sheltering the Bottom of the Pyramid



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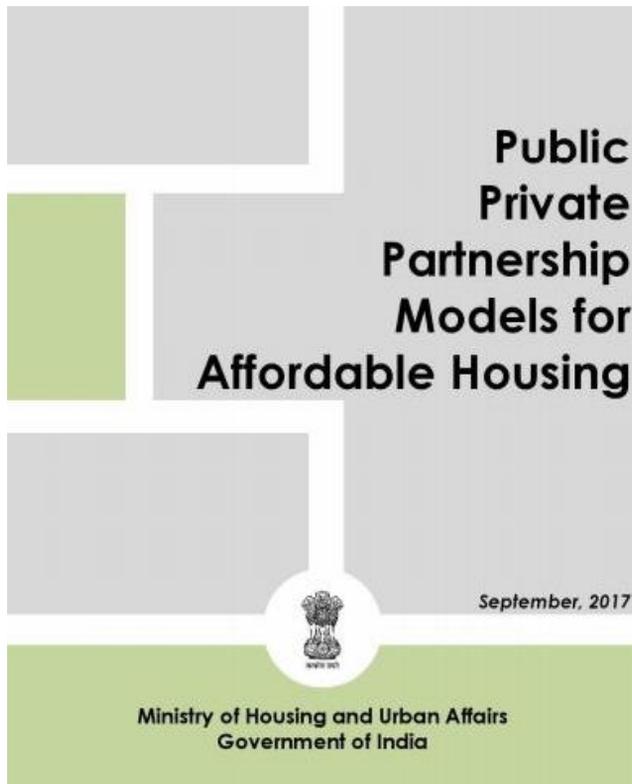
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## Affordable homes altering mortgage market dynamics

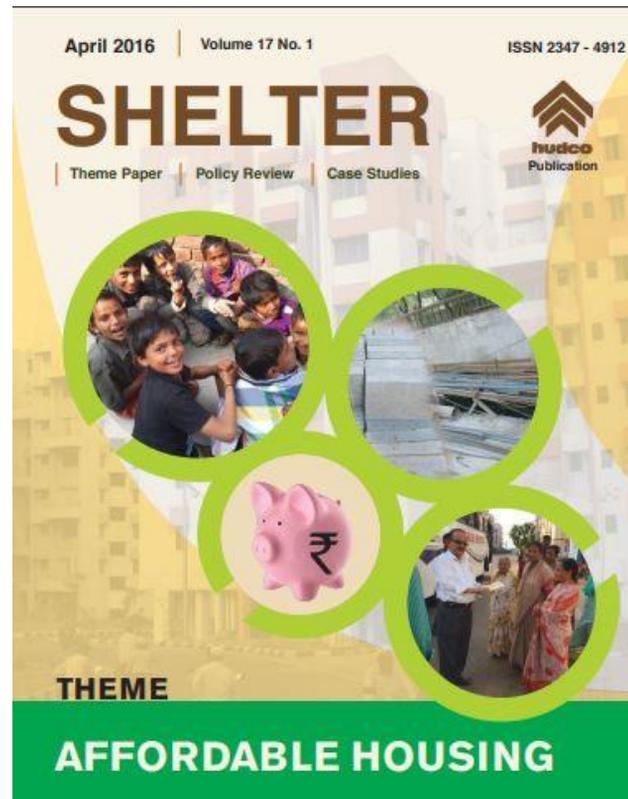
Smaller ones are scaling up, new players are also clawing in  
May 2017



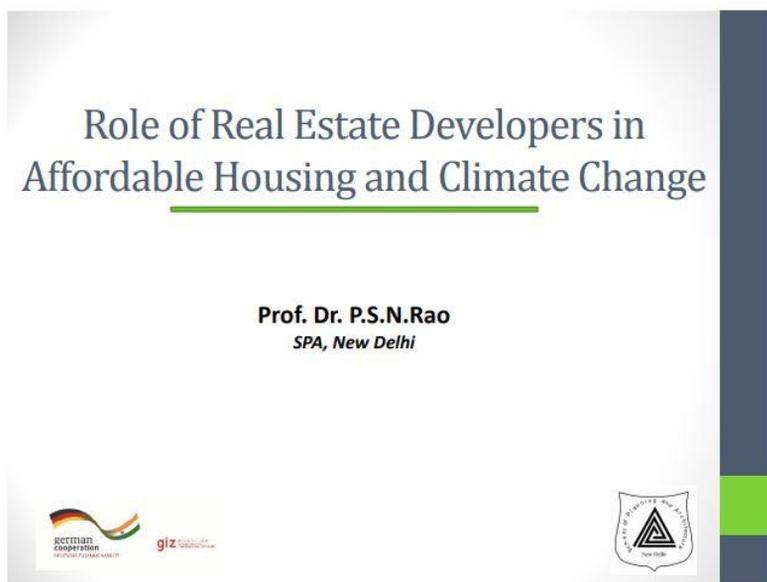
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ROUND TABLE

## Affordable housing: Policy and practice in India



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IIMB-Century Real Estate Research Initiative, Indian Institute of Management Bangalore, Bangalore, Karnataka, India

Available online 19 May 2015

### KEYWORDS

Affordable housing;  
Public policy;  
Stakeholder  
participation;  
State subsidies;  
Low-income housing;  
India

**Abstract** Affordable housing is a problem that many countries are taking stock of, world over. In India, the problem is much more stark with an estimated shortage of around 18 million houses, with 99% of this in the economically weaker sections of society. This paper sets out the definitions of affordable housing in India and across the world; the issues with the various definitions of affordable housing; the institutions and agencies responsible for formulating and implementing affordable housing policies in the state; the opportunities and challenges in affordable housing as well as a discussion on learnings from international experience in this sector.

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### Introduction

Affordable housing is fast taking centre stage internationally as well as in the national agenda in India. With housing recognized as a basic need, governments at every level are discussing ways and means to provide access to housing for their citizenry. The importance of affordable housing is neatly captured in the following statement by the Affordable Housing Institute quoting Rakesh Mohan, Deputy

Governor of the RBI, in 2007 "...future national competitiveness and economic success will depend on the comparative efficiency of cities. Because housing is where jobs go to sleep at night, the quantity, quality, availability and affordability of housing becomes a key component in national economic competitiveness".<sup>1</sup>

The role and function of housing is multifaceted – housing choices impact access to infrastructure, employment, household wealth, health, education, poverty levels, maternal and child mortality, women's participation in workforce, and many other wellbeing indicators. As India

[https://ac.els-cdn.com/S097038961500336/1-s2.0-S0970389615000336-main.pdf?\\_tid=8ede2440-4a0f-453f-a5c9-f54f0ec4144b&acdnat=1520664170\\_6f2040ba39cc3e0f06a6bf03d66f558](https://ac.els-cdn.com/S097038961500336/1-s2.0-S0970389615000336-main.pdf?_tid=8ede2440-4a0f-453f-a5c9-f54f0ec4144b&acdnat=1520664170_6f2040ba39cc3e0f06a6bf03d66f558)

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## Model State Affordable Housing Policy for Urban Areas

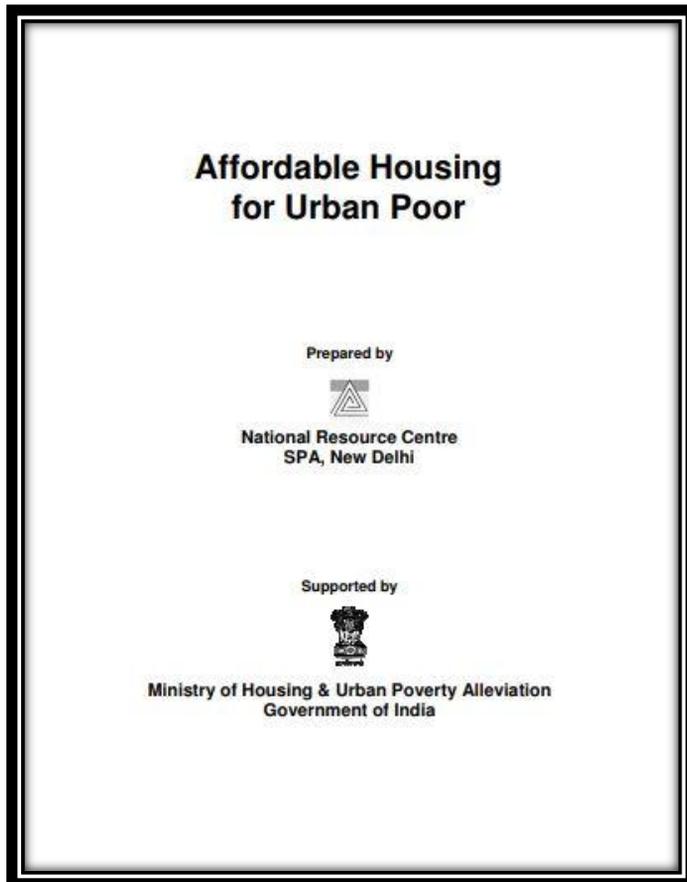
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September, 2013



Government of India  
Ministry of Housing and Urban Poverty Alleviation

## Books and references available for Affordable Housing



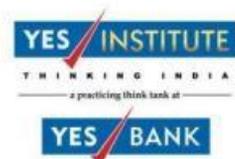
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## Innovative Models for Affordable Housing

Preeti Sinha  
Senior President and  
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YES BANK

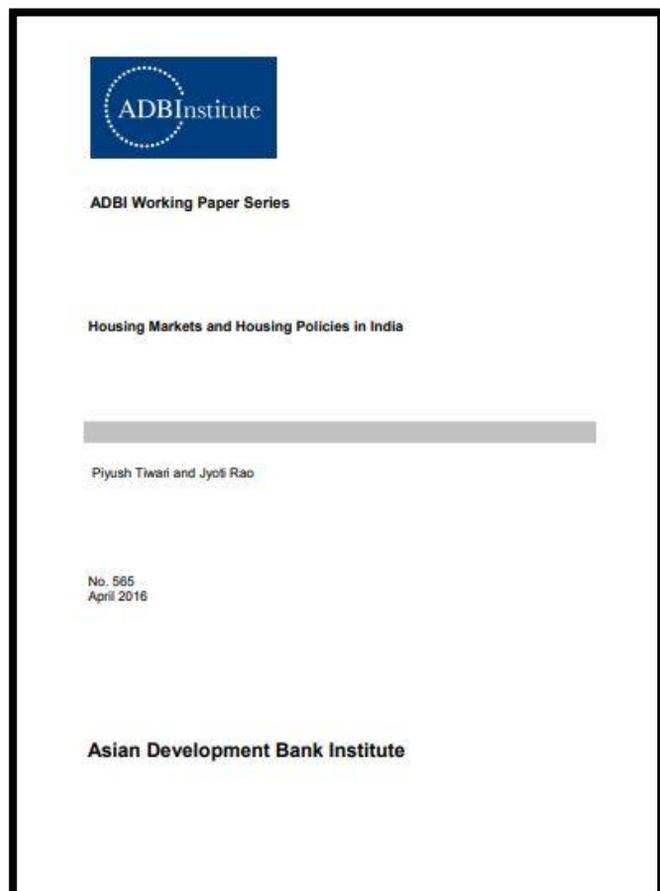


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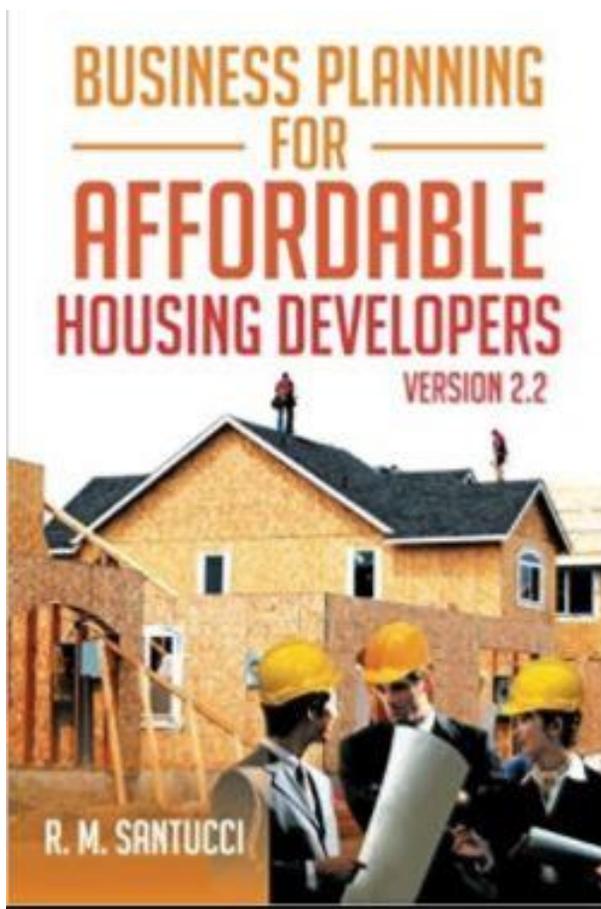


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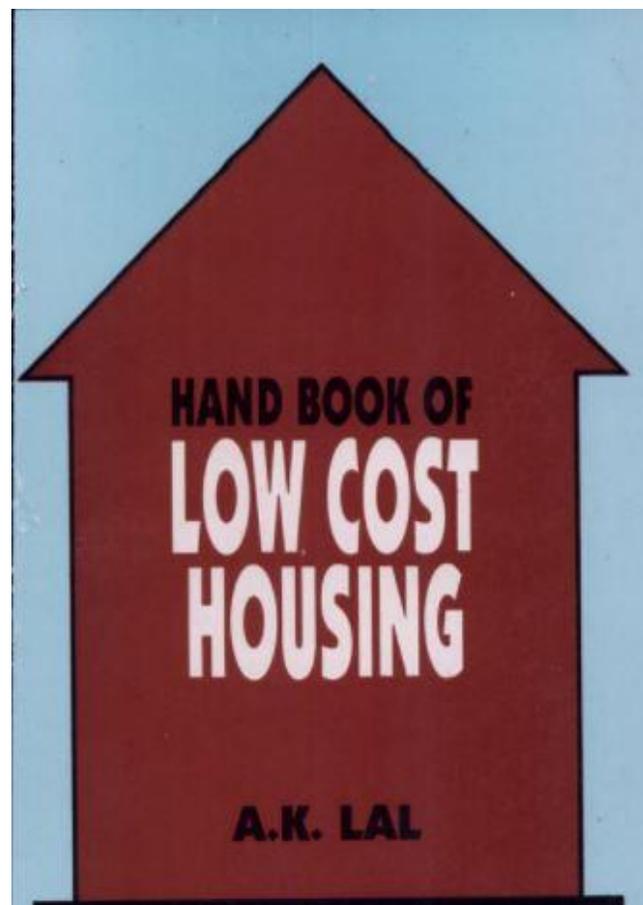


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