

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3876
ANSWERED ON:31.07.2009
SUBSIDY ON HOUSING LOANS
Rajendran Shri C.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to provide subsidy on interest on housing loans to low income groups;
- (b) if so, the details thereof;
- (c) the details of rural housing schemes funded by Nationalised Banks in the country;and
- (d) the number of people in rural areas benefited therefrom?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Yes, Sir. A new scheme of Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) has been launched by the Government to provide interest subsidy of 5% on home loans upto Rs.1 lakh availed by Economically Weaker Sections (EWS) and Low Income Groups (LIGs). The loan can be taken for acquisition of house or construction of house provided the beneficiary does not already own a house. The nodal agencies for implementation of the Scheme are the National Housing Bank (NHB) and the Housing and Urban Development Corporation Limited (HUDCO), whereas loans for the Scheme can be given by commercial banks as well as housing finance companies.

(c) & (d): A special scheme called the Rural Housing Refinance Scheme was introduced by the National Housing Bank (NHB) in the year 2008-09. The Scheme is funded through a special allocation 'Rural Housing Fund (RHF)' of the order of Rs.2,000 crore. The Scheme benefited the 'weaker sections' as defined in the priority sector guidelines of Reserve Bank of India (RBI) including SC/ST, Minority, Small and Marginal farmers, Share croppers and Rural women.

More than one lakh dwelling units have been provided financial assistance out of the funds disbursed under the Scheme. About 50% of the beneficiaries are women while the SC/STs and the minority communities have share of about 11.5% each. Further, the Union Budget has allocated Rs.2000 crore to NHB under RHF for the current year i.e. 2009-10 to be utilized for providing housing to the weaker sections in the rural areas including people having annual income upto Rs.2,00 lakh per annum.

NHB has also been operating the Golden Jubilee Rural Housing Finance Scheme (GJRHFS). The performance of the Housing Finance Companies and Public Sector Banks under the Scheme for the last three years is given below:

(Number of dwelling units)

Institution 2006-07 2007-08 2008-09

Target Achievement Target Achievement Target Achievement

HFCs	94,200	56,011	87,500	45,330	78,300	49,925
PSBs	2,35,800	2,42,415	2,62,500	2,26,207	2,71,700	2,08,340
Total	3,30,000	2,98,426	3,50,000	2,71,537	3,50,000	2,58,265