

PRADHAN MANTRI AWAS YOJANA-CREDIT LINKED SUBSIDY SCHEME (CLSS)-
“HOUSING FOR ALL(URBAN)by 2022”

The Ministry of Housing and Urban Poverty Alleviation (MOHUPA) Government of India has implemented the Interest Subvention Scheme known as “Credit Linked Subsidy Scheme” (CLSS) as part of the “Housing for All by 2022” (HFA) mission to address the housing needs of Economically Weaker Sections (EWS) and Low Income Groups (LIG) segments in urban areas. The Ministry has designed the Scheme for addressing the housing needs of the EWS/LIG segments in urban areas. The credit linked subsidy will be provided on housing loans taken by eligible urban poor (EWS/LIG) for acquisition, construction of house.

Under the scheme the economic parameter of EWS has been defined as households having an annual income upto Rs.3,00,000/= (Rupees Three Lakh) and the economic parameter of LIG has been defined as households having an annual income between Rs. 3,00,001/= (Rupees three Lakh One) upto Rs. 6,00,000/= (Rupees Six Lakh).

The beneficiaries of EWS and LIG seeking housing loans from the bank would be eligible for an interest subsidy (upfront) at the rate of 6.5% for a period of 15 years or during the tenure of housing loan, whichever is lower. The Net Present Value (NPV) of the interest subsidy will be arrived at on the basis of notional discount rate of 9% per annum. The credit linked interest subsidy will be available for a maximum housing loan amount of Rs6.00 lakh (Rupees Six Lakh) and no interest subsidy shall be available to housing loan beyond Rs. 6,00,000/=. However, if the loan amount is less than Rs. 6, 00,000/=:, the subsidy will be limited to loan amount.

Purpose	A Central Sector Scheme aimed at providing credit linked interest subsidy to urban poor on home loans taken by them for acquisition/ construction/ enhancement of house, under the existing Housing Loan Scheme of the Bank “JK Bank Housing loan Scheme for individuals” .
Area of application	All 4041 statutory towns/ cities as per Census 2011
Eligible Beneficiaries	Beneficiaries of Economically Weaker Section (EWS) and Low Income Group (LIG) seeking housing loan from the bank. A beneficiary family will comprise husband, wife, unmarried sons

	<p>and/or unmarried daughters. 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 to be eligible to receive central assistance under the mission.</p> <p>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.</p> <p>Preference under the Scheme, subject to beneficiaries being from EWS/LIG segments, shall 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.</p> <p>All houses purchased, constructed or expanded under the scheme should essentially have basic civic infrastructure like water, sanitation, sewerage, electricity, etc.</p> <p>The houses under the mission should be designed and constructed to meet the requirements of structural safety against earthquake, flood, cyclone, landslides, etc confirming to the National Building Code and other relevant Bureau of Indian Standards (BIS) codes.</p>
<p>Identification of Borrower</p>	<p>Identification of Borrowers would be made by State Level Nodal Agency (SLNA) identified by the respective states/ Union Territories. Business Units shall entertain only those loan applications, along with documents, which are recommended by the SLNAs through the process specified below. Business Units shall not entertain cases where borrower directly approaches them.</p> <p>In J&K State, J&K Housing & Urban Department, J&K State has designated J&K Housing Board as SLNA and shall co-ordinate the implementation of the Scheme.</p> <p>J&K Housing Board has also been entrusted with the responsibility of identifying beneficiaries in District Srinagar, Ganderbal, Jammu and Samba. In the remaining districts, loan cases shall be sponsored by District Urban Development Agency(DUDA)</p>

<p>Carpet area of house</p>	<p>The scheme shall be available for housing loans availed for acquisition, new construction and addition of rooms, kitchen, toilet, etc.to existing dwellings as incremental housing.</p> <p>In order to avail of this credit linked subsidy, the carpet area of house being constructed or enhanced should be up to:</p> <p>i). 30 square metres for Economically Weaker Sections (EWS)</p> <p>ii). 60 square metres for Low Income Groups (LIG) ,</p>
<p>Proof of Income</p>	<p>For identification as a EWS or LIG beneficiary under the scheme, an individual loan applicant shall submit self-certificate/affidavit as proof of income- Annexure 1</p>
<p>Central Nodal Agency</p>	<p>The bank has signed a Memorandum of Understanding with Housing and Urban Development Corporation (HUDCO) which has been designated as Central Nodal Agency (CNA) by the Ministry of Housing and Urban Poverty Alleviation to channelize this subsidy to the lending institutions and for monitoring the progress of the scheme.</p>
<p>Maximum quantity of loan and Interest Subsidy</p>	<p>Maximum quantity of loan to be allowed shall be as per the criteria laid down in the extant Housing Loan scheme of the bank.</p> <p>The interest subsidy available under the scheme shall be @6.50% for a maximum loan amount of Rs. 6.00 lakh for tenure of 15 years or during the tenure of loan, whichever is lower. Any loan amount beyond Rs. 6.00 lakh will be at nonsubsidized rates.</p>
<p>Calculation of Interest Subsidy and its Appropriation</p>	<p>The net present value (NPV) of the interest subsidy will be calculated at a discount rate of 9% per annum and upfront subsidy shall be provided by HUDCO to the bank.</p> <p>The subsidy shall be credited upfront to the borrower's loan account by deducting it from the principal loan amount resulting in reduced effective housing loan and Equated Monthly Installment (EMI) thereby charging interest on the net amount of loan at the agreed rate of interest.</p>

<p>Completion of Construction</p>	<p>The construction / enhancement of the house should be completed with 2 years of the date of initial disbursement of the loan .In cases the construction exceeds the period of 2 years, then provisions as per the extant Housing Loan Scheme of the bank shall apply.</p> <p>In no case should the completion of the house exceed 30 months from the date of initial disbursement of the loan</p>
<p>Security</p>	<p>Primary: Equitable/Registered Mortgage of house property/flat to be constructed/purchased. (House property to include land underneath & appurtenant thereto in case of independent house only). The title of the property must be clear, marketable and free from encumbrance.</p> <p>Guarantee Cover: Guarantee Cover under Credit Risk Guarantee Fund Scheme for Low Income Groups (CRGFS) of Ministry of Housing and Urban Poverty Alleviation, Government of India shall be applicable for all eligible cases. However, BUs must take care that the size of Housing Unit in case of EWS doesn't exceed 30 sqm and in case of LIG doesn't exceed 40 sqm. The loan amount should also not exceed Rs 8 lacs as otherwise it won't be eligible for the Guarantee cover. For covering the eligible loan cases under CRGFS, BUs must refer to the Credit Risk Guarantee Fund Scheme for low income housing (CRGFS). Guarantee fee shall be borne by the borrower.</p> <p>Collateral: For loan cases, not eligible for Guarantee cover, BUs shall obtain Collateral security as per the extant Housing Loan scheme of the bank.</p>
<p>Repayment</p>	<p>The repayment period and the EMIs calculated for repayment shall be decided on the merits of each case on a realistic basis after taking into account the repaying capacity of the borrower subject to maximum repayment period of 15 years.</p>
<p>ROI</p>	<p>As per existing Interest Rate applicable to Housing Loan Scheme.</p>
<p>Operational flow.</p>	<ol style="list-style-type: none"> 1. SLNAs shall forward loan cases under the scheme to concerned Zonal Offices. In case of J&K State, Dy. General Managers of Housing Units (I, II, III) of J&K Housing Board shall sponsor the cases in District Srinagar, Ganderbal, Jammu and Samba district to respective Zonal Offices of our bank. In all other districts, District Urban Development Agency (DUDA) shall forward the cases to respective Zonal Offices. 2. Zonal Offices in turn forward the cases to concerned BUs after ascertaining that the cases are in order and all the documents are annexed with it. Otherwise, they shall return the case to

	<p>J&K Housing Board/ DUDAs.. Information of all cases received and/or returned shall be forwarded to TUFs Department, CHQ on monthly basis.</p> <ol style="list-style-type: none"> 3. On receipt of loan cases, the BUs shall process the case as per the terms of this scheme and as per the provisions of the extant Housing Loan scheme of the Bank. 4. After sanctioning of the case, BUs shall disburse the loan amount as per the provisions of the existing Housing Loan Scheme of the bank. Disbursement must however be made in a maximum of 4 installments. 5. On full disbursement of the loan amount, BUs shall forward the interest subsidy claims to TUFs Department, CHQ in format attached as Annexure 4. BUs shall also claim the processing fee for housing loan per sanctioned application in a separate form –Annexure 5. 6. TUFs, in turn, shall forward the forms to HUDCO for release of upfront interest subsidy and the processing fee. However, a copy of the forms should be retained by TUFs. 7. TUFs Department shall open an account “Interest Subsidy on loans under AWAS YOJNA-Housing to all” at BU Apex. The account details shall be shared with HUDCO so that the subsidy and processing fee is directly credited into that account. 8. TUFs Department shall then credit the subsidy amount directly to the concerned beneficiary accounts under intimation to the respective BUs. TUFs shall also credit the processing fee to the respective P/L account of the respective BUs, under the head “loan processing charges”
Loaning Powers	As per existing delegation of power circulated by A&AP CHQ Srinagar.
Processing Charges	<p>NIL</p> <p>(In lieu of the processing fee for housing loan for the borrower under the scheme, bank will be given a lump sum amount of Rs. 1000/- per sanctioned application. Bank will not take any processing charge from the borrower).</p>
Inspection Charges	NIL
Insurance	The house property to be mortgaged to the bank and against which housing loan is sanctioned shall be got comprehensively insured against all risks with the usual bank clause.
Utilization/End Use	On receipt of interest subsidy amount, the BUs shall on quarterly

Certificate	<p>basis forward a utilization/ end use certificate to TUFSS, Department, CHQ along with certificate in relation to the physical progress of the construction leading up to the completion of the housing unit (Annexure 6). TUFSS Department shall, in turn, forward, the certificate to HUDCO on a quarterly basis. Copy of the certificate should be kept by TUFSS for record purpose.</p> <p>BUs shall also forward to TUFSS, a consolidated utilization certificate (Annexure 8) on completion of the housing unit within one year period from the completion of the construction or a maximum period of 36 months from the disbursement of the 1st. Installment of the loan amount. TUFSS in turn shall forward the same to HUDCO within the above mentioned timelines. Copy of the certificates should be kept by TUFSS for record purpose.</p> <p>In case of default in not providing utilization/end-use certificate, the BU under intimation to TUFSS, shall refund the amount of subsidy to HUDCO. Further, any unutilized amount of subsidy shall also be immediately returned to HUDCO.</p>
Default in Repayment of Loan	<p>In the event of default in repayment of the loan by the borrower/beneficiary to the bank and the loan turning NPA, the bank will proceed for recovery of the dues as per the existing recovery policy including foreclosure of 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).</p>
Takeover of Loan	<p>In case of a borrower who has taken a housing loan and availed of interest subvention under the scheme but later on approaches another bank/FI for taking over of loan, such beneficiary/borrower shall not be eligible or claim the benefit of interest subvention again.</p>
Documentation	<p>Pre-Sanction documents as per the Annexure 3 should be annexed along with the loan application. In addition, all the documentation as per the existing Housing Loan scheme of the bank shall apply.</p> <p>Application form shall be as per the attached format.-Annexure 2.</p>
Monthly data to be submitted to HUDCO.	<p>TUFSS Department should on monthly/ Quarterly basis submit a master data to HUDCO about the borrowers for whom the subsidy has been received during the month as per the format annexed (Annexure 7).</p>

Nodal Office/Officer from the Bank.	Government Sponsored Scheme Section, A&AP, CHQ shall be the Nodal Office for the Scheme and In charge of this Department shall be the Nodal Officer. The details of Nodal Office/ Nodal Officer shall be shared with HUDCO and J&K Housing Board, J&K Govt.
Validation of scheme	The Scheme will close in March-2022.

All other terms and conditions governing Housing Loan Scheme of the bank shall be applicable to this loan cases under this scheme.