



Cabinet

# Cabinet approves a New Scheme for promotion of Rural Housing in the country

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved a new scheme for promotion of Rural Housing in the country. The Government would provide interest subsidy under the scheme. Interest subsidy would be available to every rural household who is not covered under the Pradhan Mantri Awas Yojana (Grameen), PMAY(G).

The scheme would enable people in rural areas to construct new houses or add to their existing pucca houses to improve their dwelling units. The beneficiary who takes a loan under the scheme would be provided interest subsidy for loan amount upto Rs. 2 Lakhs.

National Housing Bank would implement the scheme. The Government would provide net present value of the interest subsidy of 3 percent to the National Housing Bank upfront which will, in turn, pass it to the Primary Lending Institutions (Scheduled Commercial Banks, NBFCs etc.). As a result the equated monthly installment (EMI) for the beneficiary would be reduced.

Under the scheme, the Government would also take necessary steps for proper convergence with PMAY-G including technical support to beneficiary through existing arrangements. The new scheme is expected to improve housing stock in the rural areas, as well as create employment opportunities in rural housing sector.

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