



Cabinet

# Cabinet approves Extension of tenure of loans under the Credit Linked Subsidy Scheme (CLSS) of Pradhan Mantri AwasYojana (PMAY) from 15 to 20 years Introduction of a new CLSS for Middle Income Group

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given ex-post facto approval to the proposals for

- (i) Extension of tenure of loans under the Credit Linked Subsidy Scheme (CLSS) vertical of Pradhan Mantri AwasYojana (Urban) Mission from 15 to 20 years (to be renamed as CLSS for EWS/LIG. It will be named as CLSS for economically weaker sections of society / Lower Income Group;
- (ii) Introduction of a new Credit-Linked Subsidy Scheme for MIG” for targeting the MIG category;
- (iii) Allowing the Primary Lending Institutions (PLIs) that have signed MoU with the Central Nodal Agencies (CNAs), under the CLSS vertical of PMAY(Urban) (now CLSS for EWS/LIG), the option to extend the mandate of their MoU to CLSS for MIG with appropriate changes as applicable;
- (iv) For rationalizing/introducing the processing fees payable to the PLIs for the loans sanctioned under these schemes;
- (v) Allocation of Rs. 1000 crore initially in the budget for 2017-18 at the BE stage for the proposed CLSS for MIG and
- (vi) Issue of the operational guidelines for CLSS for MIG with approval of the Minister-in-charge.

## Objectives

- a. Increase the off-take in EWS and LIG segments under existing Pradhan Mantri AwasYojana (Urban) – Housing for All Mission;
- b. Outreach to the Middle Income Group (MIG);
- c. Make procedures easy for the Primary Lending Institutions (PLIs);
- d. Provide an incentive to PLIs for increased participation in the housing and urban development sector;
- e. Make available funds through necessary funds through Budgetary provisions and
- f. Clearly define the procedure /implementation of programmes.

The outreach of the schemes will ensure greater participation amongst the EWS, LIG and MIG segment of the society to provide Housing for All by 2022, thereby ensuring equity and inclusiveness.

The interest subsidy to be disbursed to the beneficiaries will be credited to their home loan accounts after the PLIs have satisfied the eligibility criteria through their due diligence processes.

The proposed interest subsidy scheme for the MIG is an innovative approach to address the needs of housing of this category.

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