



Interest Subsidy Scheme on home loans for MIG extended by another 15 months

Subsidy of up to Rs.2.60 lakh now available till March, 2019

Centre to look in to concerns of real estate industry to meet affordable housing targets

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The central government today announced that the benefit of interest subsidy of about Rs.2.60 lakh on home loans under Pradhan Mantri Awas Yojana (Urban) will now be available for beneficiaries belonging to Middle Income Groups (MIG) for fifteen more months beyond December this year.

This was announced by Shri Durga Shanker Mishra, Secretary (Housing & Urban Affairs), Government of India, while addressing the 'Real Estate and Infrastructure Investors Summit' organized by NAREDCO, in Mumbai today. He said that the government decided to give more time for MIG beneficiaries to avail interest subsidy under PMAY(Urban).

Prime Minister Shri Narendra Modi, in his announcement on the 31st of December last year made applicable the Credit Linked Subsidy Scheme (CLSS) under PMAY(Urban) to MIG, till the end of December this year. Under CLSS, MIG beneficiaries with annual income of above Rs.6.00 lakhs and up to Rs.12.00 lakhs would get an interest subsidy of 4.00% on a 20 year loan component of Rs.9.00 lakhs. Those with annual exceeding Rs.12.00 lakhs and up to Rs.18.00 lakhs would get interest subsidy of 3.00%.

Reiterating the Government's commitment to meet the Housing for All targets in urban areas by 2022, Shri Mishra urged private investors to invest in affordable housing, being promoted by the Government in a big way with several incentives and concessions.

Shri Mishra later an hour long discussions with a 30 member delegation of NAREDCO and assured them that the Government would look into various issues raised by them in all sincerity and possible interventions would be considered.

The delegation referred to what they called anomalies in GST rates for completed and under construction housing projects, Stamp Duties being higher and kept outside the purview of GST, scarcity of land, delays in granting construction permits, lack of coordination among different municipal agencies, RBI's high risk weightage for lending to real estate sector despite Real Estate Act coming into force, inadequate bank financing despite Non-Performing Assets in respect of construction being much less than other sectors etc.

The delegation expressed concern over GST and other taxes accounting for over one third of the cost of residential properties.

Minister of Housing & Urban Affairs Shri Hardeep Singh Puri, who addressed the summit yesterday suggested to NAREDCO to have a detailed discussion with Secretary(HUA) for resolving the issues so that affordable housing could be given a boost.

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