

# **Pradhan Mantri Awas Yojana (Urban) – FAQs**

## **1. What is Pradhan Mantri Awas Yojana (Urban) and its objectives and scope?**

Pradhan Mantri Awas Yojana (Urban) [PMAY(U)] was launched on 25th June 2015 to ensure housing for all in urban areas by providing pucca houses to all eligible beneficiaries by 2022. The Mission provides Central Assistance to implementing agencies through States/Union Territories (UTs) and Central Nodal Agencies (CNAs) for providing houses to all eligible families/beneficiaries against the validated demand for houses for about 1.12 crore. PMAY(U) mandates the female head of the family to be the owner or co-owner of the house. The Mission offers four options:

1. In-situ Slum Redevelopment (ISSR)
2. Credit Linked Subsidy Scheme (CLSS)
3. Affordable Housing in Partnership (AHP)
4. Beneficiary-led individual house construction/enhancements (BLC)

## **2. What is In-Situ Slum Redevelopment?**

Under ISSR, Central Assistance of ₹1 lakh per house is admissible for all houses built for eligible slum dwellers using land as a resource with participation of private developers. This grant can be utilized by States/UTs for any slum redevelopment projects. Post-redevelopment, de-notification of slums by State/UT Government is recommended.

## **3. What is Credit Linked Subsidy Scheme (CLSS)?**

Interest Subsidy up to ₹2.67 lakh per house is admissible for beneficiaries of Economically Weaker Section (EWS)/Low Income Group (LIG), Middle Income Group (MIG)-I and MIG-II seeking housing loans from Banks, Housing Finance Companies, and other institutions for acquiring/constructing houses. Interest subsidies of 6.5%, 4%, and 3% on loan amounts up to ₹6 lakh, ₹9 lakh, and ₹12 lakh are admissible for houses with carpet areas up to 60, 160, and 200 sq. meters for EWS/LIG, MIG-I, and MIG-II respectively.

## **4. What is Affordable Housing in Partnership (AHP)?**

Central Assistance of ₹1.5 lakh per EWS house is provided by the Government of India in projects where at least 35% of the houses are for EWS category and a single project has at least 250 houses.

## **5. What is Beneficiary-led individual house construction/enhancements (BLC)?**

Under BLC, Central Assistance of ₹1.5 lakh is available to individual eligible families belonging to EWS categories to either construct new houses or enhance existing houses. For enhancements, the existing house must have a carpet area less than 21 sq. meters and lack one of the basic facilities. Post-enhancement, the total carpet area must be between 21 and 30 sq. meters, with a minimum addition of 9 sq. meters.

## **6. Who is defined as a beneficiary under PMAY(U)?**

A beneficiary is defined as a family comprising husband, wife, and unmarried children. The beneficiary should not own a pucca house in any part of India. Adult earning members, irrespective of marital status, are also eligible. EWS category beneficiaries are eligible for assistance in all four verticals, whereas LIG/MIG categories are eligible only under the CLSS component.

## **7. Who are the nodal agencies responsible for disbursement of the subsidy under CLSS?**

NHB, HUDCO, and SBI have been identified as Central Nodal Agencies (CNAs) to channelize the subsidy to lending institutions and monitor progress. The Ministry may notify other institutions as CNAs in the future.

## **8. Any preferential treatment to beneficiaries proposed for Affordable Housing?**

Preference under the Scheme is 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 Transgenders, subject to beneficiaries being from EWS/LIG segments.

## **9. What happens if a beneficiary avails a housing loan from one PLI and also benefits under CLSS, then switches to another PLI?**

A beneficiary who has taken a housing loan and availed of interest subvention under the scheme but later switches to another PLI for balance transfer will not be eligible to claim the benefit of interest subvention again. The subsidy can be claimed on only one loan account.

## **10. What happens when the subsidy has already been disbursed but the construction of the house is stalled?**

In such cases, the subsidy is to be recovered and refunded to the Central Government.

## **11. Can we get a 30-year home loan for an EWS beneficiary?**

Yes, beneficiaries can apply for a home loan tenure of 30 years, subject to the due diligence norms of the PLIs concerned. However, the interest subsidy is restricted to home loans up to ₹6 lakhs for a tenure not exceeding 20 years.

## **12. What is the criteria for EWS, LIG, MIG categories for the purpose of the Scheme?**

- EWS households: annual income up to ₹3.00 lakhs.
- LIG households: annual income between ₹3.00 lakhs to ₹6.00 lakhs.
- MIG-I households: annual income between ₹6.00 lakhs to ₹12.00 lakhs.
- MIG-II households: annual income between ₹12.00 lakhs to ₹18.00 lakhs.

States/UTs have the flexibility to redefine the annual income criteria as per local needs with the approval of the Ministry.

## **13. Can a beneficiary avail of benefit under more than one component?**

No. Under the Mission, a beneficiary can avail of the benefit of only one component.

## **14. Are there any area restrictions under the Scheme for availing of the subsidy under the CLSS component?**

Yes, the carpet area limits are:

- Up to 30 sq.m. for EWS category
- Up to 60 sq.m. for LIG category
- Up to 160 sq.m. for MIG-I category
- Up to 200 sq.m. for MIG-II category

Exceeding these limits makes the beneficiary ineligible for the subsidy under this component.

## **15. What is the definition of carpet area?**

Carpet area is the area enclosed within the walls, the actual area to lay the carpet. It does not include the thickness of the inner walls.

## **16. Who are Primary Lending Institutions (PLIs)?**

PLIs include Scheduled Commercial Banks, Housing Finance Companies, Regional Rural Banks (RRBs), State Cooperative Banks, Urban Cooperative Banks, or any other institutions as identified by the Ministry of Housing and Urban Affairs.

## **17. Will a person having a plot without any construction be an eligible beneficiary?**

Yes, such a beneficiary can be covered under the subsidy for beneficiary-led individual house construction scheme, if otherwise eligible.

## **18. How will the Central Assistance be released to beneficiaries for individual house construction?**

Central Assistance will be released to the bank accounts of beneficiaries identified in projects through States/UTs as per recommendations of the State/UT.

## **19. How is the subsidy released to beneficiaries?**

The subsidy is released by the CNAs based on the disbursements made by PLIs to the beneficiaries. The subsidy disbursed by the CNA to the PLI is credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount. For example, if a borrower avails a loan of ₹6.00 lakhs and the subsidy works out to ₹2.20 lakhs, the loan amount would reduce to ₹3.80 lakhs, and the borrower would pay EMIs on the reduced amount.

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