

# **Pradhan Mantri Awas Yojana**

Pradhan Mantri Awas Yojana (Urban)

Country     India

Prime Minister(s)   Narendra Modi

Ministry     Ministry of Housing and Urban Poverty Allevation

Key people   Hardeep Singh Puri

Launched     25 June 2015; 4 years ago

Status   Inactive

Website     <http://pmaymis.gov.in/>

Pradhan Mantri Awas Yojana (PMAY) is an initiative by Government of India in which affordable housing will be provided to the urban poor with a target of building 20 million affordable houses by 31 March 2022.[1][2] It has two components: Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and Pradhan Mantri Awaas Yojana (Gramin)[3] (PMAY-G and also PMAY-R) for the rural poor.[4][5] This scheme is converged with other schemes to ensure houses have a toilet, Saubhagya Yojana electricity connection, Ujjwala Yojana LPG gas connection, access to drinking water and Jan Dhan banking facilities, etc.[6] Total 88 lakhs houses are approved against total demand of 1.12Cr as of 29 Aug 2019. [7]

History

Pradhan Mantri Awaas Yojana was launched in June 2015 with an aim to provide affordable housing in urban poor.[8][9]

Under PMAY, it is proposed to build 2 crore houses for urban poor including Economically Weaker Sections and Low Income Groups in urban areas by the year 2022 through a financial assistance of ₹2 trillion (US\$29 billion) from central government.[4][1][2] This Mission has four components viz., In-situ Slum Redevelopment with private sector participation using land as resource, Affordable Housing through Credit Linked Subsidy, Affordable Housing in Partnership with private and public sector and Beneficiary led house construction/enhancement. Under these components, central assistance will be in the range of ₹1 lakh (US\$1,400) to ₹2.30 lakh (US\$3,300).[citation needed]

See also: Indian states ranking by families owning house

The scheme

The features of Pradhan Mantri Awas Yojana are that the government will provide an interest subsidy of 6.5% (for EWS and LIG), 4% for MIG-I and 3% for MIG-II[10][11] on housing loans availed by the beneficiaries for a period of 20 years under credit link subsidy scheme (CLSS) from the start of a loan. The houses under Pradhan Mantri Awas Yojana would be constructed through a technology that is eco-friendly, while allotting ground floors in any housing scheme under PMAY, preference will be given to differently abled and older persons.

Finance

The government has approved an investment of ₹439.22 billion (US\$6.4 billion) for construction of 6,83,724 houses for urban poor including central assistance commitment of ₹100.50 billion (US\$1.5 billion) by April 2016.[8]

Eligibility criteria

Condition for PMAY: (a) Beneficiary max age 70 years, (b) EWS (Economic Weaker Section) family income limit is Rupees 3 Lakhs per annum and for LIG (Lower Income Group) Family Income limit is Rupees 6 Lakhs per annum,[12] and Middle Income Group -(MIG-I) income between Rupees 6 lakhs to 12 lakhs per annum, (MIG-II) income between Rupees 12 lakhs to Rupees 18 lakhs per annum [13] [14]c) The beneficiary should not have an own dwelling unit on the name of any family member in any part of India.[5]

The houses given under this scheme will be owned by females or jointly with males.[8]

#### Phases

3 Phases of PMAY envisage starting and completing the house construction work as follows:

PMAY Phase-1 from April 2015 to March 2017 to cover 100 cities.

PMAY Phase-2 from April 2017 to March 2019 to cover additional 200 cities.

PMAY Phase-3 from April 2019 to March 2022 to cover the remaining cities.

#### States and cities covered

As of 25 April 2016, the government has identified 2,508 cities and towns in 26 states for beginning construction of houses for urban poor.[15] Construction of 1,86,777 additional houses for the benefit of urban poor with an investment of Rs.11,169 cr with central assistance of Rs. 2,797 cr was approved in February 2018, taking the cumulative total houses approved to 39,25,240 houses including subsumed RAY scheme, of the targeted 10 million houses by March 2022.[16]

#### Private contributors

IIFL Home Loans have been helping beneficiaries avail Credit linked Subsidy under Pradhan Mantri Awas Yojana across the country. Till 17 August 2017, the company has helped 4187 beneficiaries avail government subsidy.[17] ICICI Bank is giving subsidised home loans to the people eligible for this scheme.[18] AU Housing Finance Limited is also doing subsidy based funding under this scheme. Home First Finance company also provide help beneficiaries to avail Credit linked Subsidy under Pradhan Mantri Awas Yojana across different regions of India.[19]

"Rajiv Awas Yojana (RAY)" was an Indian government program that attempts to help slum dwellers gain appropriate housing and address the processes by which slums are created and reproduced. It was introduced by the Indian government's Ministry of Housing and urban poverty Alleviation.[20] The programme was a Centrally Sponsored Scheme, which ran from 2013 to 2014.[21] The scheme aimed to make India slum-free by 2022 by providing people with shelter or housing, free of cost. It began with a pilot project, before launching in mission mode.[22] The government earmarked ₹322.30 billion (US\$4.7 billion) for its implementation during India's 12th Five Year Plan.[20] One million beneficiaries were proposed to be covered under Rajiv Awas Yojana.[23]

Site selection was to be made by the states in consultation with the Centre giving priority to district headquarters, cities of religious heritage and tourist importance, with due consideration to the criterion of the pace of growth of the city, of slums within the city and predominance of Scheduled Caste, Scheduled Tribe and minority population and other weaker and vulnerable section of the society.[20] SBI has now slashed down the interest rate of home loans above Rs. 75 lakh by 10 basis points. From June 15, 2017, the rate for the same will be 8.55-8.6%.