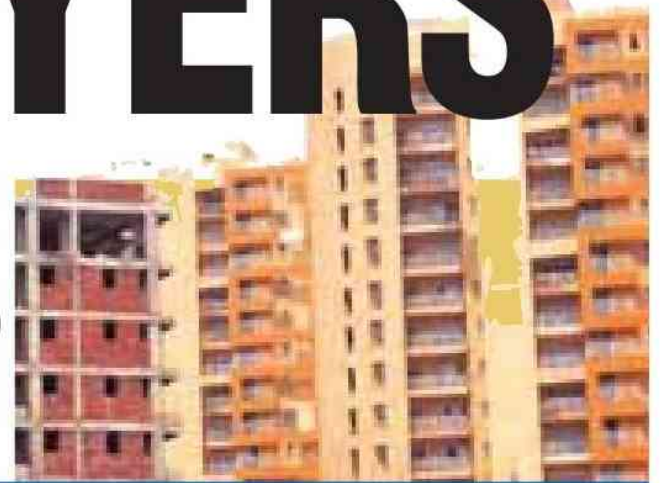


# PM'S GIFT FOR HOME BUYERS

More people in middle income group to get rebate in interest on loans as cap raised from ₹6L to ₹18L per annum



**PIONEER NEWS SERVICE** ■  
NEW DELHI

In a major relief for middle class home buyers, the Government on Wednesday announced substantial interest subvention for those with annual income of above ₹6 lakh and up to ₹18 lakh per year. The benefit will be available on housing loans taken in 2017 under Pradhan Mantri Awas Yojna.

Those with annual income of up to ₹12 lakh in urban areas would be eligible for 4 per cent rebate in interest for a home loan up to ₹9 lakh. A 3 per cent rebate will be given on ₹12 lakh loan availed by those who earn up to ₹18 lakh annually.

Till now, those with annual income up to ₹6 lakh were eligible to get 6.5 per cent interest subsidy for housing loans of up to ₹6 lakh. So far only 20,000 people have availed this.

This interest subsidy scheme has been named as 'Credit Linked Subsidy Scheme for Middle Income Groups — CLSS (MIG)'. The Government claims that monthly installment (equated monthly installment) for middle income group (MIG) beneficiaries is expect-

- ✍ The benefit to be available on housing loans taken in 2017 under Pradhan Mantri Awas Yojna
- ✍ Monthly installment for MIG beneficiaries is expected to come down by over ₹2,000 per month
- ✍ Those who have been sanctioned housing loans and whose applications are under consideration since January 1 this year would also eligible for interest subsidy
- ✍ The scheme will be applicable just for one year
- ✍ The Government has allocated ₹1,000 for the same



ed to come down by over ₹2,000 per month.

Those who have been sanctioned housing loans and whose applications are under consideration since January 1 this year would also eligible for interest subsidy. No processing fee will be charged by banks or housing finance companies from the applicants under CLSS.

Giving clarity on the Government's CLSS for home buyers in the MIG segment, Union Minister for Housing, Urban Development and Poverty Alleviation M Venkaiah Naidu on Wednesday released the guidelines for the implementation of the scheme.

Prime Minister Narendra Modi in his address to the nation on December 31, 2016, had announced to provide relief to large middle income group people so that they could own a pucca house.

"The newly launched CLSS for MIG covers two income segments in the MIG viz. ₹6,00,001 to ₹12,00,000 (MIG-I) and ₹12,00,001 to ₹18,00,000 (MIG-II) per annum. In the MIG-I, an interest subsidy of 4 per cent has been provided for loan amounts up to ₹9 lakh while in MIG-II, an interest subsidy of 3 per cent has been provided for loan amount of ₹12 lakh.

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# PM'S GIFT FOR...

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The total interest subsidy to be paid to MIG people on ₹9 lakh loan comes to ₹2.35 lakh and on a loan of ₹12 lakh, it comes to ₹2.30 lakh per beneficiary," the guidelines said.

The scheme gives preference to women with overriding preference to widows, single working women, people from Scheduled Castes and Scheduled Tribes, backward classes, differently-abled and transgender people. While defining the beneficiary family as comprising of wife, husband and unmarried daughters and sons, the guidelines, in an acknowledgement of the aspirations of the youth, have made even unmarried and earning young adults eligible for taking the benefit of interest subsidy under CLSS(MIG), for acquisition/construction of a new house including repurchase.

According to guidelines, interest subsidy will be provided on loans for construction/acquisition of house

with carpet area of 90 sq mtres by those earning ₹12 lakh per annum and of 110 sq mt by those earning ₹18 lakh per year.

"Not only poor, but middle class is also on top of our PM's agenda. Middle income groups make substantial contribution to the economic growth of the country besides paying taxes and deserved support to fulfil the dream of owning a house which is a basic and genuine aspiration," said Naidu. The scheme will be applicable just for one year starting January 1, 2017 and the Government has allocated ₹1,000 crore in Union Budget this year for the same.

In the guidelines for CLSS (MIG), the tenure of loan has been stipulated to be 20 years or that preferred by the beneficiary, whichever is lower. The total interest subsidy accruing on these loan amounts will be paid to the beneficiaries up front in one go there by reducing the burden of EMI.

Minister of State for HUPA Rao Inderjit Singh said Housing for All Mission is the most important ini-

tiatives of the Government to ensure a decent house for all by 2022.

While the new CLSS(MIG) covers people with income of up to ₹12 lakh and ₹18 lakh per year, the CLSS component of PMAY(Urban) launched in June, 2015 and applicable to Economically Weaker Sections (EWS) and Low Income Group (LIG) covers urban poor with income levels of ₹3 lakh and ₹6 lakh per year respectively. Tenure of this loan is now increased to 20 years from the earlier 15 years, to enable easy repayments. Total interest subsidy available to each beneficiary under this component is ₹2.30 lakh.

According to the Ministry, 70 lending institutions including 45 Housing Finance Companies, 15 scheduled banks, two Regional Rural Banks, one Cooperative Bank, four Small Finance Banks and three Non-Banking Finance Companies — Micro Finance Institutions have signed Memorandum of Understanding with National Housing Bank for implementation of CLSS (MIG) component of PMAY(Urban).