

DELHI DEVELOPMENT AUTHORITY
HOUSING/ PMAY DEPARTMENT

File No.-F2(11)/2024/PMAY(ISR)/148

Date: 09/10/2024

C.No. 85388

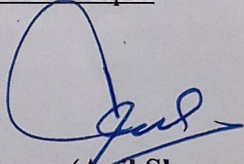
CIRCULAR

Sub: Benefits of Interest Subsidy Scheme (ISS) under PMAY (Urban) 2.0 to eligible beneficiaries under the ongoing DDA Sasta Ghar Housing Scheme 2024 and DDA Madhyam Vargiya Housing Scheme 2024.

Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0) is a Mission started by Prime Minister of India, with an aim of ‘Housing for All’ to be achieved in the next 5 years starting from 01.09.2024. The Scheme is a major step towards ensuring that people can get a house within their financial capability. The major objective of the Scheme is to bring a “Pucca House” for every family in urban areas with adequate basic civic services and infrastructure services like toilet, water, electricity etc. As a Central Sector Scheme, the existing Interest Subsidy Scheme (ISS) component of the Mission provides interest subsidy on home loans taken by eligible urban poor and middle class families (Economically Weaker Section [EWS], Lower Income Group [LIG] and Middle Income Group [MIG]) for purchase/ re-purchase/ construction of houses.

All DDA Aswasiya Yojnas currently being implemented, namely, DDA Sasta Ghar Housing Scheme 2024 and DDA Madhyam Vargiya Housing Scheme 2024 offering flats under the above categories are also linked to Pradhan Mantri Awas Yojna (Urban) 2.0 – Housing for All, under Interest Subsidy Scheme (ISS).

The successful allottees of these schemes can avail the benefits of interest subsidy under PMAY-U 2.0 (HFA) under Interest Subsidy Scheme (ISS) from the empaneled Banks & Housing Finance Companies entitled to grant loan under PMAY 2.0, subject to fulfilling the eligibility criteria of income, category of flats and carpet area parameters mentioned in the PMAY-U 2.0 (HFA). For “Scheme Guidelines” which includes eligibility criteria and other details please visit the link: <https://pmay-urban.gov.in/uploads/guidelines/Operational-Guidelines-of-PMAY-U-2.pdf>


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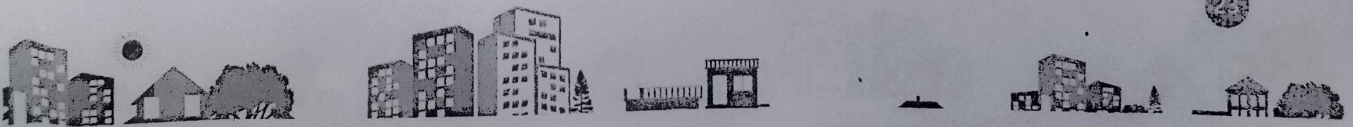
5.4 Interest Subsidy Scheme (ISS)

- 5.4.1 The Mission, will implement Interest Subsidy Scheme (ISS) vertical as a Central Sector Scheme to expand institutional credit flow to the affordable housing sector. Subsidy will be provided on home loans sanctioned and disbursed on 01.09.2024 or after to eligible beneficiaries of EWS/LIG and MIG for purchase/ re-purchase/construction of houses.
- 5.4.2 Households belonging to EWS, LIG and MIG category with an annual income of up to ₹3 lakh, ₹6 lakh and ₹9 lakh, respectively will be eligible to avail the benefit of the Scheme. For identification as an EWS/LIG/MIG beneficiary under the Scheme, an individual loan applicant will submit self-certificate/affidavit as proof of income.
- 5.4.3 A maximum release of interest subsidy of ₹1.80 lakh having maximum NPV of ₹1.50 lakh (at Discount Rate of 8.5%) shall be provided to eligible beneficiaries having a loan tenure of more than five years. Households having income up to ₹9 lakh, loan value up to ₹25 lakh for property value up to ₹35 lakh would be eligible for a subsidy at 4.0 % on first ₹8 lakh for a tenure up to 12 years. The carpet area of houses under this component shall be up to 120 sqm. Subsidy to the beneficiaries will be released in 5 equal yearly instalments.
- 5.4.4 The broad features and eligibility criteria of the Interest Subsidy Scheme are provided in the table below:

Parameters	EWS/LIG/MIG
Annual HH income (₹)	Up to ₹9 lakh
Interest Subsidy (% P.A.)	4.0%
Maximum Housing Loan eligible (₹)	₹25 lakh
Maximum House Value	₹35 lakh
Maximum Carpet area (up to) in sqm	120
Maximum benefit of interest subsidy (₹) – Actual Release	₹1.80 lakh
Maximum benefit of interest subsidy (₹) - NPV	₹1.50 lakh

5.4.5 Exclusion (Ineligibility) Criteria under ISS:

- The subsidy under the scheme will be provided only once for a property. If it is sold to someone else, the purchaser can't take benefit of ISS on this property. PLIs are to ensure that subsidy benefit is not taken by the previous owner by checking on the unified web portal, before initiating the claim of the current occupant.
- If two or more family members take combined or separate loan on same property, they will be treated as same family for calculation of family income and benefit.
- In case a borrower has taken a housing loan from one PLI and later on switches to another PLI for balance transfer, such beneficiary will not be eligible to claim the benefit of interest subsidy again. If a person has not claimed interest subsidy from first PLI, he/she shall not be eligible after balance transfer.





- iv. Only loan up to ₹25 lakh with the house value up to ₹35 lakh will be eligible for subsidy under this vertical. If the family income or property value as assessed by PLI for sanction of loan is higher than eligibility limit, loan will not be eligible for subsidy.
- v. In case of any false declaration on income level by a beneficiary who has already availed the scheme benefit, he/she would be liable for legal proceedings under applicable laws.
- 5.4.6 Under this vertical, Central Nodal Agencies (CNAs) will be designated by the Ministry by signing of an MoU as per **Annexure-1B**, to channelize the subsidy to the beneficiary's account through identified PLIs. PLIs can register only with one CNA by signing MoU as provided.
- 5.4.7 CNAs will be responsible for ensuring proper implementation and monitoring of the scheme and will put in place appropriate mechanisms for the purpose. CNAs will provide periodic monitoring inputs to MoHUA through real-time, regular monthly and quarterly reports and any other information as may be required. PLIs shall link beneficiary identification to Aadhaar/ Aadhaar Virtual ID to avoid duplication. Further, CNA will sign a MoU with interested PLIs for release of subsidy to the beneficiaries as per **Annexure-1C**.
- 5.4.8 For availing the benefit under ISS vertical, eligible beneficiaries will be required to register their demand through Unified web-portal. Subsequently, the application will be forwarded to the concerned PLIs for further necessary action as per his/her eligibility criteria as per **Annexure-7**.
- 5.4.9 Based on the loan disbursed by a PLI to beneficiaries, the Ministry shall release subsidy through single click on a monthly basis through CNA to PLI using unified web-portal. Beneficiary would be intimated by Short Message Service (SMS) on registered mobile number about amount of subsidy credit, bearing beneficiary ID details.
- 5.4.10 The subsidy will be released in 5 yearly instalments through DBT in loan accounts of beneficiary provided loan is active at the time of release of subsidy and more than 50% principal is outstanding. Subsidy will be credited by the PLI to the borrower's account upfront by deducting it from the principal loan amount of the borrower. The borrower will pay EMI as per lending rates on the remainder of the principal loan amount.
- 5.4.11 The subsidy will be provided to those beneficiaries who have submitted the approved layout plan to the PLIs as per guidelines of States/UTs. However, the layout plan may not be insisted by PLIs where States/UTs have provided the exemption for construction of houses having provision of deemed approval or pre-approved building plan.





- 5.4.12 The PLI shall follow best practices of lending by extending the loan at affordable rate to the PMAY-U beneficiary. The PLI shall charge interest on reducing balance method whereby the interest is computed only on the principal outstanding for payment of consecutive instalments.
- 5.4.13 State Level Nodal Agency (SLNA) identified by State/UT for implementing the Mission, will facilitate the identified eligible beneficiaries in getting approvals and documents, etc. to avail the benefit of Interest Subsidy Scheme. SLNA shall organize loan melas, conduct monthly review with PLIs to resolve challenges faced by beneficiaries in availing the benefit of the scheme. In order to facilitate awareness and benefit of the scheme among the beneficiaries, all PLIs shall mandatorily display the details of the scheme along with the contact details at their respective branches for smooth disbursement of loan and interest subsidy.
- 5.4.14 The State Level Bankers Committee (SLBC) shall also monitor the Scheme through its prevalent institutional mechanism. The SLNA shall ensure to participate in SLBC meeting to share the details of interested applicants.
- 5.4.15 Any change in contact details (Name/Number) of the designated officer at Bank Branch shall have to be updated by next day by the PLI on the portal.
- 5.4.16 PLIs should use unified web-portal to check duplication so that no beneficiary is granted more than one benefit under the Mission. Concerned States/ UTs will have access to the details of ISS beneficiaries through the portal, while deciding beneficiaries under other three verticals of the Mission.
- 5.4.17 Geo-tagging of houses along with their geo-spatial location is required to be done by the respective PLI/Beneficiary as per the payment plan. Geo-tagging of houses to be done after release of 1st instalment, in case of purchase of completed house. In case of construction /under construction house, Geo-tagging is to be done before release of each instalment. It is to be ensured by PLI that before releasing 4th instalment to the beneficiary the geo-tagging of house at completed level is captured in MIS.
- 5.4.18 MoHUA will pay 0.1% of total fund disbursement by the CNAs to the PLIs towards the administrative expenses to the CNAs.

