

Own your Home Scheme

8207. PROF. NARAIN CHAND PARASHAR: Will the Minister for FINANCE be pleased to state:

(a) whether the Life Insurance Corporation (LIC) has taken any steps to simplify and modify the 'Own Your Home Scheme' during the international year of shelter for the homeless in 1987;

(b) if so, the main modifications made in the Scheme to all areas and approved by the LIC Board;

(c) whether any impact of the modifications has been noticed in the number of loans sanctioned by the Corporation;

(d) if so, the details thereof; and

(e) the number of loans sanctioned under the Scheme during 1988?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) As per statement given below.

(c) and (d). The Scheme has become popular among the policy-holders and the number of loans sanctioned during the year 1987-88 showed 114% increase over the number of loans sanctioned during 1986-87.

(e) The number of loans sanctioned during the year 1988-89 is 16608.

STATEMENT

The Main Modifications made to the own Your Home Scheme in the year 1987

1. The graded System of rate of interest is now ranging between 12% and 15% instead of the them existing flat rate of 13%
2. Maximum amount of loan was Rs. 2.5 lakhs irrespective of

population criteria and it is raised to Rs. 3 lakhs in the four Metropolitan Cities of Bombay, Calcutta, Madras and Delhi.

3. Divisional Managers throughout the country were empowered to sanction loans straightaway in all centres where basic amenities were available.
4. Policies like Jeevan Mitra and Jeevan Sathi for a term of 20 years were accepted as collateral security for a sum assured to the extent of 50% of the loans as against the earlier provision of sum assured equal to the loan sanctioned.
5. For non Income tax payers, where proof of income was not available for gross income not exceeding Rs. 18,000/- loan facility was made available on the basis of income estimated by LIC's officials.
6. A higher percentage of loans was granted to employees/professionals.
7. The period of Title Investigation was reduced to 15 years at all places.

Opening of Bank Branches

8208. Dr. PHULRENU GUHA: Will the Minister of FINANCE be pleased to state the number of commercial bank branches opened during 1988-89, State wise?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): Reserve Bank of India (RBI) has reported that Commercial Banks including Regional Rural Banks have opened 1545 branches during the period from 1.4.1988 to 31.3.1989 and the State-wise details are set out below:-