

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1905
ANSWERED ON:24.08.2007
GRANT OF HOUSING LOANS TO THE RURAL POOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether the banks are not granting housing loans to the rural poor people even after they prove their credit worthiness;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to extend housing loans to the rural poor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a) & (b) : As per information available from Reserve Bank of India (RBI), the outstanding credit of Scheduled Commercial Banks for rural housing for the last three years is as under :

(Rs. lakhs)
2004 2005 2006
771209 1302421 1821336

It would be observed that there has been a year on year increase of housing loans outstanding in rural areas.

(c) : In order to ensure that banks extend credit for home loan in rural areas following steps are taken :

- (i) The Golden Jubilee Rural Housing Finance Scheme was introduced for the easy flow of institutional credit for housing in rural areas.
- (ii) Loans up to Rs.5 lakhs to individuals for acquiring or constructing new dwelling units and up to Rs.50,000/- for up-gradation or major repairs to the existing units in rural areas are given under the Special Rural Housing Scheme of National Housing Bank.
- (iii) Banks have been advised that while fixing the repayment schedule in case of rural housing advances granted to agriculturists under Indira Awas Yojana and Golden Jubilee Rural Housing Finance Scheme, banks may ensure that the interest/installment payable on such advances are linked to crop cycles.
- (iv) Housing loans upto Rs.20,000/- per eligible beneficiary are granted under Differential Rate of Interest Scheme at 4 percent interest.