

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2264

ANSWERED ON:14.03.2008

HOME LOANS

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Will the Minister of FINANCE be pleased to state:

- (a) the amount of home loans disbursed by various banks during each of the last three years;
- (b) the percentage of home loans disbursed in rural areas, semi-urban areas, towns and cities;
- (c) whether some private sector banks have decided to reduce interest rates on home loans despite the declaration of RBI's monetary policy recently;
- (d) if so, the details thereof, bank-wise;
- (e) whether the Government proposes to direct public sector banks to reduce the interest rates on home loans on the lines of private sector banks;
- (f) if so, the details thereof;
- (g) whether the Government proposes to introduce an interest subsidy scheme on home loans to the economically weaker sections; and (h) if so, the details thereof?

Answer

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

(a): According to information reported by the Reserve Bank of India (RBI) the total amount of housing loan outstanding as on 31st March, 2005,2006 and 2007 was as under :

(Rs. crore)	2005	2006	2007
Amount outstanding	133,908	185,181	230,689

Source: Report on Trend and Progress in Banking of India, 2006-07 However, information on disbursement of housing loan is not available.

(b) : The percentage of housing loan outstanding for rural, semi-urban, urban and metropolitan areas to total outstanding housing loan as on 31st March, 2006 (latest available) is as under:

Rural	Semi-urban	Urban	Metropolitan
10.00	13.14	25.16	51.70

Source: Basic Statistical Returns of Scheduled Commercial Banks for 2006

(c), (d), (e) & (f) : With effect from October 18, 1994, the RBI has deregulated the interest rates on advances above Rs.2 lakh and these interest rates are determined by the banks themselves with the approval of their Boards subject to their Benchmark Prime Lending Rate (BPLR) and Spread guidelines.However, the public sector banks have been advised to consider adjustment of interest rates particularly in the housing and the consumer durables sector.

(g) & (h) : A proposal to provide interest subsidy on housing loan for Economically Weaker Sections (EWS) and Low Income Group (LIG) in urban areas is under consideration of the Government of India. The details of the scheme are being worked out.