

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:827
ANSWERED ON:25.02.2011
PRICE RISE IN HOUSING SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether the National Housing Bank has taken any steps to keep a check on the price rise in housing sector due to shortage of urban housing in the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the poor people are deprived of housing facility due to such price rise in the housing sector;
- (d) if so, the details thereof; and
- (e) the remedial measures taken/ being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)& (b): National Housing Bank (NHB) has taken various initiatives for ensuring that price rise in housing sector due to shortage of urban housing has least impact on the low and moderate income groups.

Refinance window

Cumulatively, till end of financial year 2009-10, around Rs.60,000 crore has been disbursed which largely focus on low and moderate income housing.

NHB's refinance policy provides for interest rate concession up to 50 bps for individual housing loans up to 5 lakhs.

NHB extends refinance at low rates under the Rural Housing Fund (RHF) in respect of housing loans in rural areas to people belonging to weaker sections. The concession is upto 3 to 4%. Project finance window

Cumulatively, till end of the December 31, 2010, the Bank has sanctioned 436 projects having project cost of 6408.71 crore with loan component of Rs 4627.96 crore. So far the Bank has disbursed 1811.61 crore as project finance.

Under the Housing Microfinance Programme (HMF), 191.32 crore has been sanctioned to 28 Microfinance Institutions in 10 States covering 17895 housing units located in both urban and rural areas. The beneficiaries include low income households.

(c) to (e): Government has further initiated the following measures to make housing affordable to the poor.

(i) The National Urban Housing & Habitat Policy (NUHHP) 2007 has been framed for facilitation of housing to the Economically Weaker Sections (EWS) and Low Income Groups (LIG).

(ii) Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), so far 15,60,102 houses have been sanctioned and Central share of Rs.20787.90 crores committed,

(iii) The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) provides for interest subsidy on loans to the Economically Weaker Sections (EWS) and Low Income Group (LIG) as part of credit- enablement measures for construction/acquisition of houses and avail 5% subsidy in interest payment for loans upto Rs. 1 lakh.

(iv) The scheme of Affordable Housing in Partnership launched in 2009 with an outlay of Rs. 5000 crores, for construction of 1 million houses for EWS/LIG/Middle Income Group (MIG) with at least 25% for EWS Category.

(v) Scheme of 1% interest Subvention in respect of individual housing loans upto Rs.10 lakh, provided the cost of unit does not exceed Rs.20 lakh, has been extended upto 31.3.2011.