

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3944
ANSWERED ON:31.07.2009
INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR
Reddy Shri Magunta Srinivasulu

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) the funds allocated and released for the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) during each of the last three years and the current year, State-wise;
- (b) whether the Government proposes to increase the allocation of funds to the State Governments for the said scheme; and
- (c) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION(KUMARI SELJA)

(a): The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) has been launched in December, 2008 for providing interest subsidy on housing loan to urban poor to make the housing affordable and within the repaying capacity of Economically Weaker Sections (EWS)/Low Income Group (LIG). The scheme encourages poor sections to avail of loan facilities through Commercial Banks/Housing Finance Companies for the purposes of construction/acquisition of houses and avail 5% subsidy in interest payment for loans upto Rs. 1 lakh. So far, no subsidy has been released under the scheme.

(b)&(c): The subsidy under the scheme will be released directly to the Primary Lending Institutions (PLIs) on quarterly basis through the two Central nodal agencies namely, Housing & Urban Development Corporation Ltd. (HUDCO) and National Housing Bank (NHB). Role of the State Government and Urban Local Bodies (ULBs) is envisaged in identification of beneficiaries and no subsidy is to be released through State Governments. Further, As the scheme has been launched recently, there is no proposal for increase in subsidy amount at this stage.