

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2034

ANSWERED ON:11.08.2011

BANKABLE SCHEME FOR RURAL HOUSING

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Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government has set up a Committee to formulate a concrete bankable scheme for rural housing;
- (b) if so, the details of the recommendations made by the aforesaid Committee;
- (c) the steps taken by the Government to implement these recommendations; and
- (d) the extent to which the BPL families are likely to be benefited from this new scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a): Yes, Sir.

(b): The key recommendations made by the Committee to formulate concrete Bankable schemes for Rural Housing are as follows:

(i) For Below Poverty Line (BPL) households, the unit assistance granted under the Indira Awas Yojana (IAY) be increased to Rs. 75,000. The amount of loan admissible to such households under the Differential Rate of Interest (DRI) scheme be raised to Rs.50,000 and repayment period be extended to 15 years;

(ii) For Above Poverty Line (APL) households, loans may be given:

Upto Rs. 2 lakhs for construction of a new house and Rs. 1 lakh for addition/up- gradation/repair of old house with 5 % interest subsidy;

OR

Upto Rs. 3 lakhs for construction of a new house and Rs.1.5 lakhs for addition/up- gradation/repair of old houses with 4 % interest subsidy.

(iii) Both BPL and APL households may be given loans for (a) housing and (b) income generating activities with an interest subsidy of 5%.

(iv) There should be group-based lending approach for rural housing.

(c): The recommendations of the Committee have been referred to the State/UT Governments for their comments. These have also been placed before the Working Group on Rural Housing set up by the Planning Commission for the 12th Five Year Plan.

(d): If accepted and implemented, these recommendations will help BPL and APL households to access funds from financial institution to construct durable and decent house of their choice.