

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

UNSTARRED QUESTION NO:3434
ANSWERED ON:23.08.2011
INTEREST SUBSIDY SCHEME FOR HOUSING URBAN POOR
Thomas Shri P. T.

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

- (a) whether the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) mandates interest subsidy on housing loans to the Economically Weaker Sections (EWS) and Low Income Group (LIG) as part of credit –enablement measures;
- (b) if so , the details thereof;
- (c) whether the Government has reviewed /revaluated the scheme;
- (d) if so, the details thereof;
- (e) the number of beneficiaries who have availed benefits under the scheme since inception , State-wise and year-wise;
- (f) whether there is any proposal to reorganize/restructure the scheme and (g) if so , the details thereof and the time by which the scheme is likely to be restructured/reorganised ?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION(KUMARI SELJA)

(a) and (b) : Yes, Madam. the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) mandates interest subsidy of 5% on housing loans upto a loan amount of Rs. 1.00 lakh taken during the 11th Five Year Plan to the Economically Weaker Sections (EWS) and Low Income Group (LIG) as part of credit –enablement measures for creation of additional housing stock .

(c) and (d) : The Ministry has been reviewing the matter regularly with all the implementing agencies . Based on the feedback received , the Steering Committee of ISHUP , which is empowered body to modify the operational measures for the effective implementation of the scheme , has liberalized the guidelines to further popularize the scheme. Some of the modifications brought in with the approval of the Steering Committee include :

The income ceilings have been revised to upto Rs.5000/- for EWS and Rs.5001/- to Rs.10,000/- for LIG households. Necessary amendments in Memorandum of Understanding (MoU) were made enabling recovery against NPA to be shared on pro rata basis between the Government of India & Banks.

Inclusion of Regional Rural Banks (RRBs) & Private sector Banks for the implementation of the ISHUP Scheme.

Self Help Groups (SHGs) have been approved to avail of the scheme.

Public Sector Banks can undertake Income certification of beneficiaries subject to audit by Central Nodal Agencies (CNAs) .

Initially the Steering Committee had approved a facilitation fee of Rs. 100/- per approved application under the Scheme was extended to Micro Finance institutions (MFIs) /Community Based Organisations (CBOs) /Non-Governmental Organisations (NGOs) . Recently after further review the Steering Committee raised the facilitation fee to Rs. 250/- per approved application of the scheme.

(e) : Since the inception of ISHUP, till 03/08/2011 , total 7805 beneficiaries have been covered in the States of Andhra Pradesh, Chhattisgarh, Karnataka, Tamil Nadu, Rajasthan, Madhya Pradesh and Maharashtra . The state-wise details are as follows:

State No. of Amount of NPV of interest
Beneficiaries subsidy (in Rs.)

Andhra Pradesh	6866	504.04lakh
Chhattisgarh	576	79.19 lakh
Karnataka	222	43.76 lakh
Tamil Nadu	94	22.90 lakh
Rajasthan	40	12.24 lakh
Madhya Pradesh	6	0.95 lakh

Maharashtra 1 0.22 lakh
Total 7805 659.3 lakh

The year-wise details of the above mentioned beneficiaries are as follows:

State/Year 2009-10 2010-2011 2011-2012 Total

No. of Subsidy No. of Subsidy No. of Subsidy No. of Subsidy
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Andhra Pradesh	531	36.83	5233	378.00	1102	89.21	6866	504.04
Chhattisgarh	-	-	542	75.12	34	4.07	576	79.19
Karnataka	-	-	53	14.50	169	29.26	222	43.76
Tamil Nadu	-	-	4	1.17	90	21.73	94	22.90
Rajasthan	-	-	22	8.14	18	4.10	40	12.24
Madhya Pradesh	-	-	-	6	0.95	6	0.95	
Maharashtra	-	-	-	1	0.22	1	0.22	
Grand Total			7805	659.3				

(f) and (g) : The scheme was introduced in the 11th Five Year Plan on pilot basis and the scheme is operational till the end of the 11th plan (2011-12) . There is a proposal to undertake comprehensive review of ISHUP before considering continuance of the scheme in the 12th Five Year Plan . However , no time frame can be committed at this stage.