

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:678

ANSWERED ON:24.11.2011

ALLOCATION OF FUNDS UNDER IAY

Das Shri Ram Sundar;Karwariya Shri Kapil Muni;Kumar Shri Vishwa Mohan;Singh Shri Ravneet

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether an expert panel set up to formulate concrete bankable schemes for rural housing has recommended substantial rise in allocation of funds for beneficiaries under the Indira Awas Yojana(IAY);
- (b) if so, the details of the recommendations made by the said panel;
- (c) whether the Government has since examined the recommendation of the panel and proposes to increase allocation of funds under the same; and
- (d) if so, the details thereof ?

Answer

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

(a): Yes, sir

(b): The details of the recommendations of the Committee are as follows:-

(i) For Below Poverty Line (BPL) households, the unit assistance 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 for which the 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 at 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%. The loan amount to be decided by the lending institutions based on credit worthiness of the borrower. The maximum loan amount may not exceed:

(Amount in Rs.)

Nature of Houses BPL APL

	Housing	Income	Housing	Income
	Generating	Generating	Generating	Generating
	Activities	Activities	Activities	Activities

New Construction	90,000	10,000	2,70,000	30,000
Up-gradation	25,000	10,000	50,000	30,000

(iv) The committee has recommended group-based lending approach for rural housing for giving better results.

(c) & (d): The recommendations have been examined and sent to the Planning Commission.