

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1647

ANSWERED ON:23.03.2012

MORTGAGE GUARANTEE FUND . SHRIN. CHALUVARAYA SWAMY

Swamygowda Shri N Cheluvaraya Swamy

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has any proposal to set up a mortgage guarantee fund to cover the risk of home loans given to the poor by banks and housing finance companies;
- (b) if so, the details thereof;
- (c) whether the fund is being set up to focus on the housing shortage especially for economically weaker section and the low income group segments in the urban areas;
- (d) if so, the details thereof; and
- (e) the time by which a final decision is likely to be taken in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a)to(e): In the Union Budget for the year 2011-12, Hon`ble Finance Minister announced for setting up a Mortgage Risk Guarantee Fund under Rajiv Awas Yojana to enable provision of credit to Economically Weaker Sections (EWS) and Low Income Groups (LIG) households. The Ministry of Housing and Urban Poverty Alleviation has already started the process for setting up the said Guarantee Fund.