

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

UNSTARRED QUESTION NO:7457
ANSWERED ON:22.05.2012
CREDIT RISK GUARANTEE FUND
Jawale Shri Haribhau Madhav

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

- (a) whether the Government is considering to set up a Credit Risk Guarantee Fund (CRGF) to provide subsidised loan to Economically Weaker Sections (EWSs)/urban poors for construction of low income houses;
- (b) if so, the details and the salient features thereof;
- (c) the extent to which the affordable urban housing deficit in the country is likely to be achieved under the CRGF; and
- (d) the time by which it is likely to be set up and made functional in the country?

Answer

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

- (a) to (b): The Government has approved the establishment of a Credit Risk Guarantee Fund Trust (CRGFT) for low income housing. The CRGF Trust will administer and operate the Credit Risk Guarantee Fund Scheme (CRGF Scheme). The CRGF scheme will provide guarantee to the lending agencies for housing loans extended by them to persons belonging to the Economically Weaker Sections / Low Income Housing Groups upto Rs. 5 Lakh, without any third party guarantee or collateral security.
- (c): The Credit Risk Guarantee Fund Scheme with current allocations is expected to catalyse a flow of credit of about Rs. 20,000 crores to the low income housing sector and create the enabling environment for large scale construction of affordable housing stock.
- (d): The Credit Risk Guarantee Fund Trust has been registered on 1st May, 2012.