

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

UNSTARRED QUESTION NO:1691

ANSWERED ON:04.12.2012

CREDIT RISK GUARANTEE FUND NO

Das Gupta Shri Gurudas;Lingam Shri P.;Rao Shri Nama Nageswara

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

(a) whether a credit risk guarantee fund has been set up for low income housing and all the States would have to implement these norms in all urban areas;

(b) if so, the details thereof;

(c) whether the Union Government proposes to provide tax incentives, transfer of development rights and floor space index to encourage more green buildings; and

(d) if so, the details thereof?

**Answer**

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION (SHRI AJAY MAKEN)

(a) & (b) :The Government has approved the establishment of a Credit Risk Guarantee Fund Trust (CRGFT) for low income housing, with an initial corpus of Rs.1000 Crore. The Credit Risk Guarantee Fund Trust has been registered on 1st May, 2012 and the scheme has been notified. The CRGF Trust will administer and operate the Credit Risk Guarantee Fund Scheme. Under the Scheme, the fund 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.

The lending institutions eligible to avail benefit of the Guarantee cover under the Scheme are Scheduled Commercial Banks, Regional Rural Banks, Urban Co-operative Banks, Non Banking Financial Companies-Micro Finance Institutions (NBFC-MFIs), Apex Co-operative Housing Finance Societies registered under the State Co-operative Societies Act and Housing Finance Institutions registered with National Housing Bank (NHB).

The CRGF Scheme is a demand driven scheme and applicable for the eligible housing loan extended by the lending institution in Urban Areas. The coverage under urban areas may extend to statutory towns, urban agglomerations and planning areas.

(c)&(d): Income tax exemption under Section 35 AD of Income Tax Act is already extended by the Government to projects under Affordable Housing in Partnership programme.

As regards transfer of development rights and floor space index, land and building regulation falling under the domain of State Governments, it is upto State Governments to allow additional floor space index (FSI) and create a transfer of development rights (TDR) framework to encourage more green buildings. Under the Rajiv Awas Yojana Scheme, States/ULBs have been given the flexibility to innovatively incentivize the private sector to partner it in redevelopment of slums, using land as a resource and extending concessions in land use zoning, Floor Area Ratio, etc.