

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

UNSTARRED QUESTION NO:603

ANSWERED ON:27.02.2013

HOUSING FOR POOR

Baitha Shri Kameshwar ;Bishnoi Shri Kuldeep;Chavan Shri Harischandra Deoram;De Dr. Ratna;Jawale Shri Haribhau Madhav;Kashyap Shri Virender;Laguri Shri Yashbant Narayan Singh;Nagar Shri Surendra Singh;Panda Shri Baijayant;Pandurang Shri Munde Gopinathrao;Patil Shri A.T. Nana;Ram Shri Pummasi;Ray Shri Saugata;Reddy Shri Magunta Srinivasulu;Reddy Shri Modugula Venugopala ;Sainuji Shri Kowase Marotrao;Sayeed Muhammed Hamdulla A. B. ;Singh Shri Ratan;Tandon Annu

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

- (a) whether there is a shortage of houses including low cost houses in the country particularly for economically weaker sections and lower income groups and if so, the details thereof;
- (b) the details of schemes and policies being implemented to meet this shortage;
- (c) the details of the funds sanctioned and released under the said schemes, state and scheme-wise and the achievements made as a result thereof during the 11th Five Year Plan, State -wise; and
- (d) whether the Government proposes to set up a special fund for low cost housing, formulate new policies or make changes in existing policies for the purpose and if so, the details thereof ?

**Answer**

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

(a): As per the Technical Group on estimation of Urban Housing shortage of the country for the Twelfth Five Year Plan (2012-17) constituted by the Ministry of Housing and Urban Poverty Alleviation the total housing shortage in 2012 is 18.78 million. Out of the total housing shortage of 18.78 million, 10.55 million is in Economically Weaker Section category, 7.41 million is in LIG category.

(b) & (c) : The Ministry of Housing & Urban Poverty Alleviation is implementing following schemes in order to bridge the housing shortage:

# Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by Ministry of Housing & Urban Poverty Alleviation in 2005 to support provision of housing and basic services to urban poor in slums in 65 specified cities under the Sub Mission Basic Services to the Urban Poor (BSUP) and in other cities and towns under the Integrated Housing and Slum Development Programme (IHSDP). The duration of the Mission was upto 31/03/2012 which has now been extended by 2 years upto the end of financial year 2013-14 for completion of projects sanctioned upto March 2012 and implementation of 3 pro - poor reforms under BSUP and IHSDP components of JNNURM. State -wise details of funds sanctioned, released and achievements made under BSUP and IHSDP components of JNNURM during the 11th Plan is annexed as Annexure-I. # The scheme of Rajiv Awas Yojana (RAY) was launched by Ministry of Housing & Urban Poverty Alleviation with an aim to provide 50% Central assistance (90% for North Eastern and Special Category States including the cost of land acquisition, if required) for creation of affordable housing stock including rental housing and transit housing. A total of Rs. 99.98 crore were released during 2009-10 and 2010-11 to various states ( 195 cities). The list of 195 cities is annexed as Annexure-II. # The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) was launched by the Ministry of Housing & Urban Poverty Alleviation in 2008 with an aim to provide interest subsidy on housing loans to the Economically Weaker Sections (EWS) and Low Income Groups

(LIG) for the purposes of construction/acquisition of houses and offer 5% subsidy in interest payment for loans upto Rs. 1 lakh. Under ISHUP 10,215 beneficiaries have been covered and Net Present Value (NPV) of subsidy of Rs. 9.20 crores has been released during the 11th Five Year Plan period. State-wise details of funds sanctioned and number of beneficiaries covered are annexed at Annexure III. # The scheme of Affordable Housing in Partnership seeks assembly of land for construction of affordable housing and provides Central Government assistance towards provision of internal and external infrastructure connectivity. A total of 8 projects of Rajasthan have been sanctioned under this scheme with a Central assistance of Rs. 7.2 crore for construction of 5,776 affordable dwelling units. The 1st installment of Rs. 2.2 crore has been released till date.

(d): Some of the latest initiatives and proposed modifications in schemes and policies of the Government of India to facilitate development of low cost housing are as below. Latest initiatives : # A Credit Risk Guarantee Fund (CRGF) Trust has been established with an initial corpus of Rs. 1000 crores to guarantee the lending agencies for loans given to EWS / LIG persons upto Rs. 5.00 lakhs without any third party guarantee or collateral security. # In order to realign the eligibility criteria of household income at par with the current income and expenditure levels of the urban poor and to reach out to maximum number of urban poor, the household income ceiling of the EWS has been enhanced from Rs 5,000/- per month to Rs. 1,00,000/- per annum and from Rs. 5,001/- to Rs. 10,000/- per month to Rs. 2,00,000/- per annum for the LIG under all the schemes of this Ministry. # The External Commercial

Borrowings (ECB) has been allowed for low cost affordable housing projects as a permissible end-use, under the approval route. ECB can be availed by developers/builders for low cost affordable housing and slum rehabilitation projects. Housing Finance Companies (HFCs) / National Housing Bank (NHB) can also avail ECB for financing prospective owners of low cost affordable housing units. Proposed modifications in schemes and policies : # RAY is now proposed to be extended to all towns and cities as against 250 class I towns stipulated earlier. Cities having population more than 5 lakhs, would be included automatically under RAY. For smaller cities & towns, the choice of cities would be made by the States, according to their aspirations, financial and resource arrangements in consultation with the Central Government. # It is proposed to define property rights under RAY as "legal document of entitlement", providing tenure security to the slum dwellers either in the form of long-term leasehold rights for a specified period or freehold rights, as the case may be by the State Govt. or urban local body or any other agency which exercises ownership over the land on which the slum is located. # The reform of JNNURM I which stipulated to earmark at least 20-25% of developed land in all housing projects (both public and private agencies) for EWS/LIG category has been slightly modified to read as Reservation of 15% of residential Floor Area Ratio (FAR) / Floor Space Index (FSI) or 35% of dwelling units for EWS/LIG categories whichever is higher, with a system of cross-subsidisation in all future housing projects in accordance with guidelines to be prescribed by MoHUPA. # Revision of the existing scheme of ISHUP during 12th Plan is envisaged with an objective of leveraging flow of institutional finance for housing EWS/LIG segments. Accordingly, it is proposed that loan limit be increased to Rs. 5.00 lakh for EWS households and Rs. 8.00 lakhs for LIG households with interest subsidy provided at 5% on the loan upto Rs. 5.00 lakh only to both categories, to promote housing for the EWS and LIG segments – on annuity basis. # It is however pointed out that all the proposed initiatives are at various stages of conceptualization and / or approval of competent authorities. Therefore no firm commitment with respect to final form in which the reforms would be accepted can be committed at this juncture.