

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

UNSTARRED QUESTION NO:2363

ANSWERED ON:05.02.2014

RAJIV RINN YOJANA .

Thomas Shri P. T.

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

- (a) whether the guidelines for implementation of Rajiv RinnYojana (RRY) has been brought out by the Government;
- (b) if so, the broad features of the guidelines including the terms for loan and criteria for selection of beneficiaries;
- (c) the details of targets fixed and the funds allocated for the 12th plan period along with allocations made, if any, made; State-wise;
- (d) the plan of action proposed to achieve the targets; and
- (e) the mechanism put in place by the Government to supervise the quality and timelines for construction of houses under the scheme ?

**Answer**

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION [Dr. (Ms.) Girija Vyas]

(a): Yes, Madam. The guidelines for the Scheme have been brought out in October, 2013.

(b): Rajiv Rinn Yojana (RRY) is an instrument to address the housing needs of the EWS/LIG segments in urban areas, through enhanced credit flow. This scheme is formulated to channelize institutional credit to the poorer segments of the society and increasing home ownership in the country along with addressing housing shortage. RRY is a Central Sector Scheme (CSS) applicable to all the urban areas of the Country. RRY provides for interest subsidy of 5% (500 basis points) on loans granted to Economically Weaker Section (EWS) and Low Income Group (LIG) categories of the urban poor to construct their houses or to extend the existing ones. The upper loan limit is Rs. 5 lakh for EWS and 8 lakh for LIG; however, interest subsidy would be limited to the first Rs. 5 lakh of the loan amount, in case the loan exceeds this amount. Loan under the scheme is admissible in order to construct or purchase a house for an EWS individual with at least of 21 square meters area and for an LIG beneficiary with a minimum carpet area of 28 square meters. However, assistance is also admissible to such EWS / LIG beneficiaries who own carpet area of 40 square meters and intend to make additions in the existing dwelling units.

State Government, its entities and the Urban Local Bodies (ULBs) have a very significant role in the implementation of this Scheme. Financial incentives have been built in to attract the facilitators and banks to extend loans to poor. States can also dovetail their Housing Schemes with RRY. However, in the selection of beneficiaries, preference to Women, Schedule Castes (SCs), Schedule Tribes (STs), Minorities and persons with

Disabilities is recommended to State Governments / banks. The States are expected to come up with a strategy for identification and selection of beneficiaries based on the local needs and requirements.

(c): Rajiv RinnYojana is a target driven scheme. The overall target for the 12th Plan period is 1 million (or 10 lakh) dwelling units across country. The targets for the States for the current Financial Year (2013-14) have been fixed and conveyed to the States as per Annexure.

(d): The Ministry has held / is holding a number of national / regional meetings with various stakeholders such as State governments, Heads of Banks, Central Nodal Agencies (CNAs) – National Housing Bank (NHB) and Housing and urban Development Corporations Ltd. (HUDCO) etc. to popularize the scheme. Further, instructions and communications are being sent to various stakeholders for effective implementation of the scheme. However, the main responsibility of implementation of the scheme lies with States. The state level targets are being allocated to various banks by the State Level Bankers Committees (SLBC). The Ministry is monitoring the progress through regular interactions with the States, banks and CNAs etc.

(e) : The following mechanism have been devised for supervising the quality and timelines for construction of houses under the RRY scheme:

- (i) Detailed review of the scheme by Ministry and through external institutions every two years for mid-course corrections/adjustments,
- (ii) Supervision of quality and timeliness of construction to be undertaken through quality control mechanisms put in place by States/UTs.

(iii) The Primary Lending Institutions (PLIs) in consultation with the State government authorities to conduct random quality control checks.

(iv) At the national level an empanelled Third Party Inspection and Monitoring (TPIM) agency to be tasked by the CNAs to ensure proper implementation through random sample survey.

(v) The Steering Committee may also chose to inspect the quality and monitor, if need be.

(vi) Special attention to be given to monitor the fund flows for expansions/additions to avoid diversion of subsidized loans for any other purposes.