

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2654
ANSWERED ON:07.02.2014
REVERSE MORTGAGE SCHEME
Sugumar Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to extend the period of reverse mortgage scheme from 20 years to the life of the person seeking funds from banks by pledging his residential property with an aim to make this facility more attractive for senior citizens;
- (b) if so, the details thereof; and
- (c) the benefits including income tax benefits likely to accrue to the persons availing the said facility?

Answer

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

(a) to (c): Reverse Mortgage Loan Annuity (RMLA) was introduced in December 2009 to ensure assured lifetime payments to the borrowers seeking funds by pledging residential property with Banks.

The Scheme has been amended on 07.10.2013 as the Reverse Mortgage (Amendment) Scheme, 2013, making transaction under the Scheme, eligible for tax exemption under Section 10(43) of the Income Tax Act, 1961.