

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4682
ANSWERED ON:21.02.2014
INTEREST SUBSIDY ON HOUSING LOANS
Ray Shri Saugata

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has given/ proposes to give any subsidy on interest of housing loans to low income groups in the country;
- (b) if so, the details thereof; and
- (c) the details of subsidy given during the past three years, State/ UT- wise?

Answer

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

(a) to (c): The Government has following schemes to provide subsidy on interest o` housing loans, namely:

(i) 1% Interest Subvention Scheme: Government introduced an interest subvention . 1% with effect from 1st October, 2009 on all individual housing loans upto Rs.10 lakh (subsequently increased to Rs.15 lakh), provided the cost of the unit does not exceed Rs. 20 lakh (increase to Rs.25 lakh). The Scheme has been extended up to March 31, 2014.

(ii) Interest Subsidy Scheme for Housing the Urban Poor (ISHUP): Government introduced the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) on 26.12.2008 which was extended upto 30.09.2013, under which, an interest subsidy of 5 per cent per annum for whole duration of the loans (15-20 years) was provided for loan up to Rs. 1 lakh extended to the EWS/ LIG beneficiaries.

(iii) Rajiv Awas Yojna: The Government has issued a Revised Interest Subsidy Scheme, renamed as Rajiv Awas Yojana (RRY), as an additional instrument for addressing the housing needs of the EWS/ LIG segments in urban areas. The Scheme is in operation since 01.10.2013. The Scheme envisages the provision of a fixed interest subsidy of 5% (500 basis points) on interest charged on the admissible loan amount to EWS and LIG segments to enable them to buy or construct a new house or for carrying out addition (of a room/ kitchen/ toilet/ bathroom) to the existing building.

The detail of the ISHUP state wise for the past three years (2010-11, 2011-12, 2012-13 and 2013-14 till date) are enclosed.