

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

STARRED QUESTION NO:187
ANSWERED ON:18.12.2013
SUBSIDY FOR HOUSING URBAN POOR
Rawat Shri Ashok Kumar

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

- (a) the broad features of the Interest Subsidy for Housing the Urban Poor (ISHUP) Scheme including the economic parameters for selection of the beneficiaries;
- (b) the number of beneficiaries and the funds spent since its inception State-wise;
- (c) whether the Government has received any proposals from the States regarding subsidy for providing housing to the poor slum dwellers in the urban areas during each of the last three years and the current year and if so, the details thereof and the action taken thereon, State-wise; and
- (d) the other measures being taken to provide relief to the urban poor against rising price of housing in urban areas?

Answer

THE MINISTER OF HOUSING & URBAN POVERTY ALLEVIATION [DR. (MS.)GIRJA VYAS]

(a) to (d): A Statement is laid on the Table of the Sabha.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 187 FOR 18.12.2013 REGARDING SUBSIDY FOR HOUSING URBAN POOR

(a): Government of India had launched the scheme of Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) in 11th Five Year Plan period with an aim to provide interest subsidy at 5% (500 basis points) on housing loans up to Rs. 1 lakh to Economically Weaker Sections (EWS) and Low Income Groups (LIG), including slum dwellers for the purposes of construction/acquisition of houses. The annual income upto Rs. 1,00,000 is economic parameter of EWS beneficiaries under ISHUP and annual income of Rs. 1,00,001 – 2,00,000 is for LIG beneficiaries.

The ISHUP scheme has now been revised, with enhanced scope and coverage, and has been launched as 'Rajiv Rinn Yojana (RRY)' in the 12th Five Year Plan.

(b)& (c): State-wise details of number of beneficiaries covered and funds spent since inception of ISHUP (as on 30.6.2013) are placed at Annexure I.

(d): 'Land' and 'Colonisation' are State subjects, it is the responsibility of State Governments to ensure supply of affordable housing stock. Though, price of housing is market driven and based on demand and supply factors.

However, in order to supplement the States' initiatives and to facilitate supply of affordable housing stock and ease the prices for the urban poor, Government of India has taken the following steps:

(i) Government of India provides capital subsidy to the extent of 50% to 80% of units cost of housing depending on the population of the city under the scheme of Rajiv Awas Yojana for providing houses and other related civic amenities to poor slum dwellers. The Year-wise progress of the last three years under Rajiv Awas Yojana is placed as Annexure-II.

(ii) Another initiatives of Government of India namely Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in the year 2005 to assist States/UTs in taking up housing and infrastructural facilities including basic facilities for the urban poor / slum dwellers in 65 select cities in the country under Basic Services to Urban Poor (BSUP) Programme. For other than BSUP cities/ towns, the Integrated Housing & Slum Development Programme (IHSDP) was launched. The duration of the Mission was initially upto 31.12.2012 which was extended upto March, 2015 for completion of projects sanctioned upto March 2012. The year – wise progress of BSUP and IHSDP schemes are placed as Annexure-III.

(iii) Affordable Housing in Partnership (AHP) Scheme;

- (iv) Establishment of Credit Risk Guarantee Fund Trust (CRGFT);
- (v) Various tax incentives under Section 24B, Section 80C, Section 35AD and exemption of service tax in affordable housing etc.;
- (vi) Inclusion of Housing in Priority Sector Lending for loans upto 15 lakhs for a house costing uptoRs 25 lakhs
- (vii) Announcement of Urban Housing Fund with a corpus of Rs 2000 crores in the Union Budget 2013-14;
- (viii) Opening up of Foreign Direct Investment (FDI) and External Commercial Borrowing (ECB) for affordable housing projects.
- (ix) Reservation of 20-25% of developed land for Economically Weaker Section (EWS) / Low Income Group (LIG) housing in every new public/private residential development project and incentivizing developers to implement this reform by appropriate cross subsidization under Rajiv AwasYojana (RAY).