

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:766

ANSWERED ON:24.07.2015

Housing Loan

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Will the Minister of FINANCE be pleased to state:

- a) whether the Government has any proposal to increase the limit of priority sector housing loans from the current limit of Rs.25 lakh to Rs.40 lakh;
- (b) if so, the details thereof;
- (c) whether there is any reduction in share of housing loans by public sector banks (PSBs) and housing finance corporations to low income category and poor middle class;
- (d) if so, the details thereof along with the loan sanctioned to low income and poor middle class during the last three years by the said institutions; and
- (e) the steps taken/being taken by the Government for availing affordable housing loans with interest subsidy for common man?

Answer

The Minister of State in the Ministry of Finance

(SHRI JAYANT SINHA)

(a) & (b): There is no proposal to increase the limit of priority sector housing loans to Rs.40 lakh. However, recently the Reserve Bank of India increased the limit of housing loans under priority sector to individuals from Rs.25 lakh to Rs.28 lakh in metropolitan centres (with population of ten lakh and above) and to Rs.20 lakh in other centres for purchase/ construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan centre and at others centres should not exceed Rs.35 lakh and Rs.25 lakh respectively.

(c)&(d): Slab wise outstanding of Public Sector Banks (PSBs).

(Amount in Rs. crore)

Year 2011-12 2012-13 YoY%

Change 2013-14 YoY%

Change

Upto Rs.10 lakh 109,589 112260 -2% 114659 -2%

>Rs.10 and upto 25 lakh 101,189 119362 18% 145694 22%

Above Rs.25 lakh 62,234 80359 29% 114737 43%

Total 273,012 311982 14% 375090 20%

As can be seen from the Table, the housing loan outstanding of PSBs has shown an overall increase of 14% and 20% in 2012-13 and 2013-14 respectively over the previous years but the outstanding in slabs upto Rs.10 lakh in 2012-13 and 2013-14 has witnessed a yoy decline of 2% in both years.

Slab wise outstanding of Housing Finance Corporations (HFCs).

(Amount in Rs. crore)

Year 2011-12 2012-13 YoY%

Change 2013-14 YoY%

Change

Upto Rs.10 lakh 47851 55301 16% 59990 8%

>Rs.10 and upto 25 lakh 67397 87540 30% 107803 23%

Above Rs.25 lakh 79251 106748 35% 129673 21%

Total 194499 249589 28% 297466 19%

As can be seen from the Table, the housing loan outstanding of HFCs has shown an overall increase of 28% and 19% in 2012-13 and 2013-14 respectively over the previous years with a hike of 16% and 8% in slabs upto Rs.10 lakhs respectively in 2012-13 and 2013-14.

(e): The Government of India had introduced an interest subvention scheme in 2009 to provide 1% subvention to all individual housing loans upto Rs.10 lakh provided the cost of the unit does not exceed Rs.20 lakh. In 2012-13, the limit was increased to Rs.15 lakh and Rs.25 lakh respectively. The scheme was closed on 31.03.2013. A sum total of about Rs.861.35 crore has been disbursed under the Scheme.

The Government of India has launched a comprehensive Mission "Housing for All by 2022". The Mission seeks to address the housing requirement of urban poor including slum dwellers through the following four verticals:

- (a) Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
- (b) Promotion of Affordable Housing for weaker section through credit linked subsidy;
- (c) Affordable Housing in partnership with Public & Private sectors and
- (d) Subsidy for beneficiary-led individual house construction or enhancement.

The Mission with all its components has become effective from the date 17.06.2015 and will be implemented upto 31.03.2022.
