Pradhan Mantri Awas Yojna(PMAY)-Credit Linked Subsidy Scheme

Frequently Asked Questions (FAQs)

1. What is the objective of the scheme ?

   Ans. The objective of the scheme is to provide financial assistance to the low income group category viz. Economically Weaker Sections(EWS) and Low Income Group(LIG) for purchasing / construction of residential units under affordable housing scheme.

2. Who are eligible borrowers of the scheme ?

   Ans. The applicants from Urban area belonging to EWS/LIG categories intending for acquisition / construction of residential units are eligible borrowers. The list of eligibility parameters are as under :

   ❖ EWS : Annual household income up to ` 3 lakhs
   ❖ LIG : Annual household income above ` 3 lakhs and up to ` 6 lakhs.
   ❖ The beneficiary family should comprise husband, wife, unmarried sons and /or unmarried daughters.
   ❖ The beneficiary family should not own a pucca house either in his /her name or in the name of any member of his / her family in any part of India to be eligible to receive central assistance under the mission.
   ❖ Preference under the scheme, subject to beneficiaries being from EWS/LIG segments, should be given to Manual Scavengers, Women(with overriding preference to widows),persons belonging to Scheduled Castes / Scheduled Tribes /Other Backward Classes, Minorities, Persons with disabilities and Transgender.
   ❖ The property to be located in one of the 4041 statutory towns as identified for this scheme. However, the Carpet Area for the proposed property should be up to 30 sqr. meters and 60 sqr. meters. for EWS and LIG respectively. This carpet area norm is applicable for all types of residential properties, constructed / acquired / enhanced.

3. What is the maximum loan amount that can be availed under the said scheme ?

   Ans. The maximum and minimum loan amount would be in line with the extant Home Loan scheme of the Bank. However, subsidy shall be available for loan up to first ` 6 lakh.

4. How subsidy is computed ?

   Ans. The Interest subsidy to be computed based on Net Present Value(NPV) method to be discounted @9% based on the following parameters :

   ❖ Loan amount up to INR 6 lakhs i.e. actual loan amount or INR 6 lakhs, whichever is lower.

   ❖ Loan tenor to be maximum of 15 yrs. i.e. actual tenor or 15 years, whichever is lower.

   ❖ Irrespective of rate of interest charged, the subsidy would be computed for interest up to 6.5% p.a.

5. Is there any Nodal agency being appointed for this scheme ?

   Ans. National Housing Bank(NHB) and Housing and Urban Development Corporation (HUDCO)have been identified as Central Nodal Agencies(CNAs) by Ministry of Housing and Urban Poverty Alleviation(MoHUPA) for the purpose of implementation of this scheme. As a part of the implementation process, every Primary Lending Institution (PLI) needs to Tie up with one of these CNAs. Accordingly, IDBI Bank has tied up NHB for implementation of the said scheme.

6. Whether the customers required to submit the claim for availing interest subsidy directly to MoHUPA / NHB ?

   Ans. Customers need not have to submit the claim neither to NHB nor to MoHUPA. IDBI Bank on behalf of the customers would submit the claim to NHB for availing the interest subsidy.

7. How the interest subsidy would be adjusted in the loan account ?

   Ans. The interest subsidy would be paid by the Govt. which would be credited in the loan account upfront for lowering the EMI burden for the borrowers.

8. What is the rate of interest to be charged to the customers ?

   Ans. The rate of interest to be applicable as per the extant pricing structure of the standard Home loan scheme. However, the interest subsidy would be computed @ 6.5%.

9. What is the maximum loan tenor offered under this scheme ?

   Ans. The maximum loan tenor is in line with the standard Home loan schemes of the bank i.e. maximum 30 yrs. for salaried and 20 yrs. for SEP and SENP.

10. Is there any loan limit under this scheme ?

    Ans. There is no loan limit under this scheme. However, interest subsidy would be computed only on the first ` 6 lakhs.

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