

About the Low Income Housing Finance Project

NHB - World Bank: Low Income Housing Finance Project (SDR 66.10 million)

National Housing Bank (NHB) has, in partnership with World Bank through Government of India, initiated a programme to encourage the flow of funds to the urban poor for their housing requirements. Under the programme NHB will be receiving loan of SDR 66.10 million (equivalent USD 100 million) over a period of 5 years from the International Development Agency (IDA), which will be used to re-finance the retail loans extended by the Qualified Primary Lending Institutions (QPLIs) which conform to the criteria laid down under the programme. Subsequently, the following agreements were signed on August 14, 2013:

- (a) Project Agreement – Between IDA and NHB
- (b) Financing Agreement – Between GoI and IDA
- (c) Subsidiary Loan Agreement – Between GoI and NHB (signed on 04.10.2013)

Project Objective: To provide access to sustainable housing finance for low income households, to purchase, build or upgrade their dwellings.

Target Borrowers: The key beneficiaries of the Project are low-income households, in particular those on informal incomes and including those with informal dwellings. The target groups are the urban poor categorized as Economically Weaker Segment (EWS)/ Low Income Group (LIG). The eligible income of the Primary Borrowers will not exceed income ceiling of Rs. 300,000/- per annum.

The project has three components which are:

Component I - Capacity Building (US\$ 2.0 million funded by IDA):

Under this Component, activities will be financed to strengthen the capacity of NHB, Qualified Intermediary Institutions, and QPLIs.

NHB will provide US\$ 2.5 million in parallel financing covering capacity building within NHB with regard to low income housing finance.

Component II - Financial Support for Sustainable and Affordable Housing (US\$ 97 million funded by IDA):

This Component will finance NHB to refinance, directly or indirectly through Qualified Intermediary Institutions, low-income housing loans made by QPLIs to Primary Borrowers to purchase, build or upgrade their dwelling. NHB takes the credit exposure on the eligible primary lenders according to its policies and procedures.

Component II includes refinancing across four segments low-income borrowers as shown below:

	Formal Dwelling	Informal Dwelling
Formal Sector Income	Secured loans for home purchase or construction to salaried borrowers. <i>(Allocation - 5%)</i>	Loans secured using alternative collateral for home purchase or construction to salaried borrowers.
Informal Sector Income	Secured loans for home purchase or construction to informal sector borrowers. <i>(Allocation - 50%)</i>	Loans secured using alternative collateral for home purchase or construction to informal sector borrowers. <i>(Allocation - 45%)</i>

Component III - Project Implementation (US\$ 1 million funded by IDA)

A Project Implementation Unit (PIU) will be set up within NHB to help implement the Project, carry out monitoring and evaluation, be responsible for legal issues and grievance redressal, overseeing and monitoring the social and environmental ‘due diligence’ (including conducting annual third party audits of QPLIs), keeping the Project’s Operations Manual updated, and financial management and carry out any procurement necessary under the Project. Low income housing expertise will also be added to the PIU to provide technical inputs to the procurement of consultants’ services under Component I. The PIU will be staffed by a combination of reassigned and new NHB staff and consultants’ services.

NHB will provide parallel financing of US\$ 0.5 million covering NHB staff for PIU management, M&E, legal, grievance redressal, and financial management functions as well as tasks including the organization of training, roll out of social and environmental guidelines (e.g. literacy training). External communications on the Project would also be covered by NHB staff. Lastly, NHB would also take on responsibility for dissemination and communication activities under its own budget, such as conferences or workshops.

Details of Funds released by the World Bank as on 30.09.2018:

(In Million)

Date of Release	Value in SDR	Value in USD	Value in INR
25-Mar-14	3.21	4.95	302.33
25-Apr-14	2.01	3.12	189.33
9-Jan-15	0.38	0.54	34.55
31-Mar-15	1.40	1.93	120.79
23-Mar-16	15.97	22.32	1483.82
28-Sep-16	16.37	22.91	1527.95
16-Jun-17	7.20	9.94	638.70
19-Jun-17	9.15	12.65	813.07
22-Aug-17	6.31	8.90	569.96
23-Mar-18	1.22	1.77	115.61
27-Sep-18	0.46	0.64	46.35
TOTAL	63.68	89.67	5842.46

Details of the PLIs wise claims forwarded to World Bank as on 30.09.2018:

(INR in Million)

Sl. No.	Name of the PLI	Amount Disbursed
1.	Aavas Financiers Ltd. *	2167.95
2.	ART Affordable Housing Finance Ltd	79.00
3.	Can Fin Homes Ltd.	53.51
4.	DHFL Vysya Housing Finance Limited	2.32
5.	Edelweiss Housing Finance Ltd	22.50
6.	Equitas Housing Finance Private Limited	63.58
7.	Gruh Finance Limited	1771.52
8.	Home First Housing Finance Ltd.	270.00
9.	Housing Development Finance Corp.	97.33
10.	India Infoline Housing Finance Limited	50.00
11.	India Shelter Finance Corpn. Ltd.	772.26
12.	MAS Rural Housing & Mortgage Finance Ltd	20.00
13.	Micro Housing Finance Corporation	135.88
14.	PNB Housing Finance Limited	244.94
15.	Sewa Grih Rin Ltd.	16.60
16.	Sundaram BNP Paribas Home Finance Ltd	3.47
17.	Tata Capital Housing Finance Limited	110.00
	Total	5880.86

* Formerly known as AU Housing Finance Limited

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