

**Press Release**  
**National Workshop on Pradhan Mantri Awas Yojana - U 2.0**  
**(Interest Subsidy Scheme) and Signing of MoUs**

**November 14, 2024**

The National Housing Bank organized a National Workshop and Signing of MoUs on the Interest Subsidy Scheme (ISS) under the Pradhan Mantri Awas Yojana -Urban 2.0 (PMAY-U 2.0). The occasion was graced by Shri Manohar Lal, Hon'ble Union Minister of Housing & Urban Affairs and Power. Shri Srinivas Katikithala, Secretary, Ministry of Housing & Urban Affairs, Government of India, Dr. M P Tangirala, Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India, Shri Kuldip Narayan, Joint Secretary (HFA), Ministry of Housing & Urban Affairs, Government of India, and Shri Sanjay Shukla, Managing Director, National Housing Bank, also graced the event with their presence. The programme was attended by top officials of Housing Finance Companies and Banks as well as representatives of various State Governments.

The Hon'ble Union Minister, in his address to the house, called upon the banks and financial institutions to ensure that the interface between the borrowers and the lending institutions should be more humane, given the fact that the hopes and dreams of families are connected to the home they are aspiring for. He also stated that by facilitating the flow of interest subsidy benefits to not only to the bottom of the pyramid but also to the middle of the pyramid, the lending institutions are performing an invaluable service to the society.

Shri Srinivas Katikithala, Secretary to Government of India, Ministry of Housing & Urban Affairs, emphasized the fact that PMAY - Urban is the biggest such scheme in the world for addressing the housing shortage in the country. He stated that in view of the changing aspirations and perceptions of the younger generation as well as the technological advancement available today, the need of the hour is to adopt novel paradigms to address the issues associated with housing in an innovative manner.

Dr. M P Tangirala, Additional Secretary to Government of India, Department of Financial Services, Ministry of Finance, applauded the efforts of National Housing Bank and the financial sector in making the Credit Linked Subsidy Scheme a success and expressed the confidence that all the stakeholders would work together seamlessly to make the Interest Subsidy Scheme a success.

Shri Kuldip Narayan, Joint Secretary (HFA), Ministry of Housing & Urban Affairs, Government of India outlined the contours of the Interest Subsidy Scheme and answered the questions and queries raised by the participants. He highlighted the fact the new scheme developed by MoHUA with feedback from National Housing Bank addressed many of the issues and bottlenecks associated with the earlier Credit

Linked Subsidy Scheme. He expressed the confidence that ISS will establish new paradigms of success in addressing the housing shortage in the country.

Speaking on the occasion, Shri Sanjay Shukla, MD, NHB, emphasized on the importance of housing for the economic & social security of the common man and the satisfaction and the encouragement which the lenders get in interactions with the beneficiaries of the subsidy scheme. He called on the housing finance sector to work with renewed vigour towards making this Scheme a grand success and express the confidence that like in the past, NHB will continue receiving co-operation and guidance from the Ministry of Housing & Urban Affairs and Ministry of Finance in its endeavours.

During the course of the day, 116 Primary Lending Institutions, including Housing Finance Companies, Public & Private Sector Banks, Regional Rural Banks, Small Finance Banks and Co-operative Banks entered into MoU with NHB for implementation of the Scheme. Further, the Unified Web Portal- ISS was introduced by NIC and MoHUA during the programme.

## Background

Pradhan Mantri Awas Yojana - Urban (PMAY-U) Scheme was launched on 25th June 2015 by the Hon'ble Prime Minister to provide all-weather pucca houses to all eligible urban households across the nation with the vision of 'Housing for All'. The National Housing Bank (NHB) has been identified by the Government of India, Ministry of Housing and Urban Affairs (MoHUA), as a Central Nodal Agency (CNA) for implementation of the Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme (PMAY-CLSS) which is one of the four verticals under the Scheme. NHB has implemented the Scheme through eligible Primary Lending Institutions (PLIs), which have signed MOUs with NHB, as per the Scheme Guidelines issued by the MoHUA.

Under PMAY-CLSS, NHB as a CNA has released subsidy of Rs. 49487.6 crore to 21.08 lakh beneficiaries which is approximately 84% of the total beneficiaries which has received subsidy under the Scheme. The remaining 16% beneficiaries received subsidy through the other two CNAs under the Scheme i.e. HUDCO and SBI.

Hon'ble Prime Minister on the 77th Independence Day announced that Government of India will come up with a new Scheme to provide benefits to weaker section and middle-class families in owning a home. In the Union Budget 2024, Hon'ble Finance Minister announced that under PMAY-U 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed in the next 5 years. Accordingly, Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0) has been launched to address the affordable housing requirement in urban areas.

Out of the four verticals of the Scheme, NHB has been designated as a CNA under the Interest Subsidy Scheme by signing an MoU with MoHUA. Interest Subsidy Scheme (ISS) will be implemented as a Central Sector Scheme to expand institutional credit flow to the affordable housing sector. Subsidy will be provided on home loans sanctioned and disbursed on 01.09.2024 or after to eligible beneficiaries of EWS/LIG and MIG for purchase/ re-purchase/construction of houses.

- Under the Scheme beneficiaries are categorized as:
  - EWS for annual family income up to ₹3 lakh.
  - LIG for annual family income up to ₹6 lakh.
  - MIG for annual family income up to ₹9 lakh.

Maximum loan value eligible for subsidy under the Scheme is ₹25 lakh. Maximum house value under the Scheme is ₹35 lakh. Maximum carpet area of the house allowed under the Scheme is 120 sqm. Interest Subsidy is provided at 4% per annum with maximum benefit of interest subsidy being ₹1.80 lakh (actual release; NPV being ₹1.50 lakh).

Under the Scheme NHB as CNA will release subsidy amount received from MoHUA to PLIs for onward crediting to the borrowers. For successful implementation of the

Scheme, we invite the PLIs for partnering with us in this journey to achieve the noble vision of Hon'ble Prime Minister- 'Housing for All'.

\*\*\*\*