

PRADHAN MANTRI AWAS YOJANA
CREDIT LINKED SUBSIDY SCHEME FOR MIDDLE INCOME GROUP

Credit linked subsidy component is a demand side intervention in order to expand institutional credit flow to the housing needs of middle income group. Subsidy will be provided on housing loans taken by eligible middle income group (MIG) for **acquisition, construction** of house.

1. SCOPE:

- 1.1 **“Pradhan Mantri Awas Yojana (Urban) – Housing for All”** Mission for urban areas is being implemented with effect from 17.06.2015 to provide central assistance to implementing agencies through States and UTs for providing houses to all eligible families/ beneficiaries. As a Central Sector Scheme, the existing Credit Linked Subsidy Scheme (CLSS) component of the Mission provides interest subsidy on home loans taken by eligible urban poor [Economically Weaker Section (EWS) / Lower Income Group (LIG)] for acquisition/construction of house.
- 1.2 Given the projected growth of urbanization in India and the consequent housing demands, Ministry of Housing and Urban Poverty Alleviation has hereby introduced an interest subsidy scheme for acquisition/ construction of house (including re-purchase) to cater to the Middle Income Group (MIG) called “Credit Linked Subsidy Scheme (CLSS) for MIG”, which will be implemented as a Central Sector Scheme.
- 1.3 The existing Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana (Urban) Mission has, accordingly, been renamed as “CLSS for EWS/LIG”.
- 1.4 To be eligible to receive central assistance under CLSS for MIG:
 - 1.4.1 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.
 - 1.4.2 A beneficiary family should not have availed of central assistance under any housing scheme from Government of India.
- 1.5 A beneficiary family will comprise husband, wife, unmarried sons and/or unmarried daughters. An adult earning member (irrespective of marital status) can be treated as a separate household;
 - 1.5.1 Provided that he / she does not own a *pucca* house in his / her name in any part of India.
 - 1.5.2 Provided also that in the case of a married couple, either of the spouses or both together in joint ownership will be eligible for a single house, subject to income eligibility of the household under the Scheme.

2. COVERAGE AND DURATION

2.1 All the statutory towns as per Census 2011 and towns notified subsequently including Notified Planning/ Development Areas shall be eligible for coverage in the Mission.

Areas falling within notified Planning/Development area under the jurisdiction of an Industrial Development Authority/Special Area Development Authority/ Urban Development Authority or any such Authority under the State Legislation which is entrusted with the functions of urban planning and regulations shall also be included for the coverage under PMAY (U).

Note 1: The MIS linkage between Department of Rural Development for PMAY (G) and Ministry of Housing & Urban Affairs for PMAY (U) would be done to avoid duplication of beneficiaries.

Note 2: The beneficiaries in the permanent wait list of PMAY (G) will have the flexibility for opting for a house under PMAY (G) or PMAY (U).

Note 3: The benefits of all existing and future rural schemes will not be denied to a beneficiary covered by the above definition solely on the grounds that he has availed of a house under PMAY (U).

2.2 CLSS for MIG has been implemented initially in 2017 for a period of one year w.e.f 01.01.2017. The Time period has been extended by 15 months beyond the approved one year i.e up to 31.03.2020.

3. SCHEME DETAIL

3.1 Beneficiaries of Middle Income Group seeking housing loans for acquisition/ construction of houses (including re-purchase) from Banks, Housing Finance Companies and other such notified institutions will be eligible for an interest subsidy with the following features:

Particulars	MIG I	MIG II
Household Income (Rs. p.a)	Above 6.00 lakh upto 12.00 lakh	Above 12.00 lakh upto 18.00 lakh
Interest Subsidy (% p.a.)	4.00%	3.00%
Maximum loan tenure (in years)**	20	20
Eligible Housing Loan Amount for Interest Subsidy (Rs.)	9,00,000	12,00,000
Dwelling Unit Carpet Area	160 Sq. m.	200 Sq. m.
Discount Rate for Net Present Value (NPV) calculation of interest subsidy (%)	9.00%	9.00%

**** Maximum loan tenure:** As per the existing Housing Finance Scheme for Public. However, **subsidy will be available for a maximum tenure of 20 years on Notional Basis.**

3.2 CLSS for MIG will support acquisition/ construction of house (including re-purchase) of 160 square meters and 200 square meters carpet area as per income eligibility with basic civic infrastructure like water, toilet, sanitation, sewerage, road, electricity etc.

3.2 Houses constructed under CLSS for MIG should conform to the norms and standards provided in extant guidelines on construction and structural safety in the country.

4. Credit Linked Subsidy Scheme:

PARTICULARS	DESCRIPTION
Eligibility	Individuals from Middle Income Group category. Joint owners from the same family are also eligible.
Middle Income Group- I	Households having an annual income between Rs.6,00,001 (Rupees Six Lakh One) up to Rs.12,00,000 (Rupees Twelve Lakh).
Middle Income Group- II	Households having an annual income between Rs.12,00,001 (Rupees Twelve Lakh One) up to Rs.18,00,000 (Rupees Eighteen Lakh).
Carpet Area (Area enclosed within the walls, actual area to lay the carpet. This area does not include the thickness of the inner walls)	<ul style="list-style-type: none"> ➤ MIG – I – 160 Sq.m. ➤ MIG –II – 200 Sq.m. <p>Dwelling units with larger carpet area are not eligible for subsidy under the scheme</p>
Beneficiary	<p>A beneficiary family will comprise of husband, wife, unmarried sons and/or unmarried daughters. An adult earning member (irrespective of marital status) can be treated as a separate household;</p> <ul style="list-style-type: none"> ➤ Provided that he / she does not own a <i>pucca</i> (an all weather dwelling unit) house in his / her name in any part of India. ➤ Provided also that in the case of a married couple, either of the spouses or both together in joint ownership will be eligible for a single house, subject to income eligibility of the household under the Scheme. <p>Unique Identification document admissible - Aadhar.</p>

PARTICULARS	DESCRIPTION
Purpose	For acquisition/ construction of house (including re-purchase) Loans for Repair/ Renovation/ Extension of existing dwelling unit are not eligible for subsidy under the scheme
Loan Amount	Need Based as per the existing housing loan scheme.
Rate of Interest	As per the existing housing loan scheme. Loan will be allowed under Floating Rate Option only
Credit Linked Subsidy	The subsidy will be available at the following rates: MIG –I = 4% (loan upto Rs 9 lakh) Max-Rs 235068.00 MIG-II = 3% (loan upto Rs 12 lakh) Max-Rs 230156.00 Loan beyond the eligible limit as above will be on non-subsidized rates
Discount Rate for Net Present Value (NPV) calculation of interest subsidy (%)	9.00%
Subsidy Credit	Interest subsidy will be credited upfront to the loan account of beneficiaries resulting in reduced effective housing loan and Equated Monthly Installment (EMI).
Processing Fee	➤ Loan up to Rs. 9 lakh in MIG-I – NIL ➤ Loan up to Rs. 12 lakh in MIG – II – NIL
Documentation Charge	For additional loan amount beyond the eligible loan amount as above– As per the existing housing loan scheme to public.
Repayment Period	As per the existing housing loan scheme to public However, subsidy will be available for a maximum tenure of 20 years on Notional Basis. Loan for period beyond 20 years will be on non-subsidised rate.
Moratorium Period	As per the existing housing loan scheme to public
Prepayment charges	Nil
Security	Equitable/ registered mortgage of the property as per the existing housing loan scheme
Utilization Certificate	➤ Bank will provide utilization/end use certificate to the NHB on a quarterly basis and also the certificate in relation to the physical progress of the construction leading up to the completion of the housing unit.

PARTICULARS	DESCRIPTION
	<ul style="list-style-type: none"> ➤ The bank shall submit a consolidated utilization certificate on completion of the housing unit within one year period from the completion of construction or a maximum of 36 months from the date of the disbursement of the 1st installment of the loan amount. In case of default in not providing utilization/ end-use certificate the bank shall refund the amount of subsidy to the NHB. ➤ Further, any unutilized amount of subsidy shall be immediately returned by Bank to NHB.
Tax Exemption	<p>The Ministry of Housing & Urban Affairs, Government of India vide Office Memorandum no G-160145/5/2016–HFA–4/FTS–14940 dated 28.09.2017 has informed that in reference to their letter on Tax exemption to the subsidy on EWS and MIG under CLSS scheme, the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes vide its OM No 370149/149/2017-TPL dated 29.08.2017 has furnished its comments as under:</p> <p>“In the instant case, the interest subsidy to be received by an individual assessee shall not be taxable. However, in cases where the interest paid is claimed as deduction in the computation of income from house property, the amount of deduction shall be restricted to the amount of interest paid as reduced by the amount of subsidy received, so as to prevent double benefit to the taxpayer.”</p>
Misc.	<ul style="list-style-type: none"> ➤ Subsidy will be credited by the bank to the borrower’s account upfront on receipt of subsidy from the nodal agency by deducting it from the principal loan amount of the borrower. The borrower will pay EMI as per agreed document rates on the remainder of the principal loan amount. ➤ In case of any false declaration by a beneficiary under the Scheme, he / she would be liable for legal proceedings under applicable laws. ➤ The bank will monitor the construction of the dwelling units financed under the scheme, including the approvals for the building design, infrastructure facilities etc. as also the quality of the construction and verify through site visits etc. the expenditure incurred upto different stages of construction. ➤ The bank will hold on record the photograph of the

PARTICULARS	DESCRIPTION
	<p>dwelling unit financed by the bank along with the borrower & Co-borrower</p> <ul style="list-style-type: none"> ➤ In the event of default in repayment of the loan by the borrower/beneficiary to the Bank and the loan becoming Non-performing assets (NPA), the bank will proceed for recovery of the dues as per extant guidelines, including foreclosure of the property. In all such cases, the amount of the recoveries will be charged to the subsidy amount on a proportionate basis (in proportion to the loan outstanding and subsidy disbursed). ➤ National Housing Bank has advised that as the minimum income is more than Rs. 6 Lakh, at least one of borrower is expected to have a PAN Number

Note: All guidelines of Housing finance scheme for public such as allowing concessions by various functionaries in the matter of age, repayment period, security etc., shall be applicable mutatis mutandis.

5. IMPLEMENTATION METHODOLOGY

- 5.1 The credit linked subsidy will be available only for loan amounts indicated in paragraph 3.1 above for tenure of 20 years or during tenure of loan whichever is lower. Additional loans beyond the aforementioned specified limit, if any, will be at non-subsidized rate.
- 5.2. Interest subsidy will be credited upfront to the loan account of beneficiaries through Primary Lending Institutions resulting in reduced effective housing loan and Equated Monthly Installment (EMI).
- 5.3 Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been identified as Central Nodal Agencies (CNAs) to channelize this subsidy to the lending institutions and for monitoring the progress. Ministry may notify other institutions as CNA in future.
- 5.4 The Bank has registered with National Housing Bank (NHB) by signing MOU for CLSS for MIG on 22.03.2017.
- 5.5. Primary Lending Institutions, in the home loan applications, shall disclose transparently the Scheme eligibility and ascertain willingness and eligibility of applicants under CLSS for MIG.
- 5.6. The bank shall link the details of Aadhaar number(s) of beneficiary family to avoid duplication before submitting claims to CNAs.
- 5.7. Preference under the Scheme, subject to beneficiaries being from MIG segments, may be given to women (with overriding preference to widows, single

working women), persons belonging to Scheduled Castes/Scheduled Tribes/Other Backward Classes, Persons with disabilities and Transgenders.

- 5.8 In cases where a borrower who has taken a housing loan from one Primary Lending Institution (PLI) and availed of interest subsidy under CLSS for MIG, switches to another PLI for balance transfer, such a beneficiary will not be eligible to claim the benefit of interest subsidy subsequently.



PNB HOUSING FOR ALL
APPLICATION FORM FOR HOME LOAN
UNDER PRADHAN MANTRI AWAS YOJANA-MIDDLE INCOME GROUP

Application / Loan account No.	
Source of application (Direct / ULBs/Designated Agency / Others)	
Name of ULB / Designated Agency / Others	

PHOTOGRAPH OF APPLICANT Signature or Thumb Impression
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PHOTOGRAPH OF CO- APPLICANT Signature or Thumb Impression

To,
THE BRANCH MANAGER
PNB

I/We request for a loan of Rs._____ for Purchase/Repurchase/
Construction of Flat/House. I/We furnish our particulars as below:

A. PERSONAL INFORMATION

	PARTICULARS	APPLICANT	CO-APPLICANT
1.	Name (in block letters) (as per Aadhar ID Card)		
2.	Father's/Husband's name		
3.	Mother's Name		
4.	Relationship of Applicant with Co-Applicant		
5.	Age & Date of Birth	_____ yrs. _____ DD/MM/YYYY	_____ yrs. _____ DD/MM/YYYY
6.	Sex	MALE/FEMALE/ TRANSGENDER	MALE/FEMALE/ TRANSGENDER

	PARTICULARS	APPLICANT		CO-APPLICANT	
7.	Category	SC/ST/OBC/GEN/Minority/ PWD/Others		SC/ST/OBC/GEN/Minority/PWD /Others	
8.	Religion	HINDU/MUSLIM/CHRISTIAN /SIKH/JAINISM/BUDHISM/Z OROASTRIANISM/OTHER		HINDU/MUSLIM/CHRISTIAN/SI KH/JAINISM/BUDHISM/ZOROA STRIANISM/OTHER	
9.	Marital status	[Married / unmarried/Others]		[Married / unmarried/Others]	
10.	No. of Dependents [Household Size]	Children Others			
11.	Unique Identification No. Aadhaar No.				
12.	Nationality & Identification Proof				
13.	Employment Category	Salaried / Self Employed / Others		Salaried / Self Employed / Others	
14.	Residential Address with Pin Code (a) Current Address (b) Permanent Address (c) Residence Proof				
15.	Tel. No. & Mobile No.				
16.	Period of stay at the above Address				
17.	Educational/Professio nal Qualification	Non-Matriculate/ Matriculate/ Under graduate / Graduate/ Others		Non-Matriculate/ Matriculate/ Under graduate / Graduate/ Others	
18.	Household Annual Income (in Rs)				
19.	Income	Source Proof		Source Proof	
20.	Household Income Category	MIG-I / MIG-II			
21.	Existing Loan Details (if any)	Loan 1	Loan 2	Loan 1	Loan 2
22.	Type and Size Carpet area	House / Flat		Upto 160 sq.m. / upto 200 sq.m	
23.	Ownership details of existing house	Owned	Rent	Inherited	Otherwise

	PARTICULARS	APPLICANT	CO-APPLICANT
24.	Property Address with Pin Code		

B. EMPLOYMENT STATUS

	PARTICULARS	APPLICANT	CO-APPLICANT
1.	Particulars	Self-employed/ salaried/others	Self-employed/ salaried/others
2.	Name of Employer/ Nature of Business/ Profession		
3.	Address with telephone number of Employer /Business/ Profession		
4.	If employed Designation and Employee number		
5.	No of years in present occupation/ Business/profession		
6.	Total Length of service		
	Date of Retirement	DD/MM/YYYY	DD/MM/YYYY

C. HOUSEHOLD INCOME STATEMENT

	PARTICULARS	APPLICANT	CO-APPLICANT
1.	Gross salary/Income per month (as per salary sheet / I.T.Return, form No.16)		
2.	Deductions		
	Income Tax		
	Professional Tax		
	Provident Fund		
	Insurance Premium		
3.	Other deductions including loan EMIs		
4.	Net Salary / Income p.m.		
5.	Other Income if any		

D. DETAILS OF BANK ACCOUNTS

	PARTICULARS	APPLICANT	CO-APPLICANT
1.	Name of the Bank/Branch		
2.	Account Number/s [Attach last 6 months statement]		
3.	Since When		

E. DETAILS OF PROPERTY PROPOSED TO BE PURCHASED/ CONSTRUCTED/ OTHERS

1.	Address of the plot/flat /house with Pincode	
2.	Names and address of the seller /builder / housing society/housing board /housing dev. Authority.	
3.	Area Of The House/Plot/Flat/Others/Please specify	
	(Built Up Area & Carpet Area In Case Of Flat & Land Area And Built Up Area In Case Of House)	Land Area (Sq. m.)
		Built Up Area (Sq.m.)
		Carpet Area (Sq. m.)
5.	In Case Of Lease Hold Property Unexpired Period Of Lease	_____ Years
6.	Age Of Flat/House In Case Of Repurchase	_____ Years
7.	Location Code(Location Code should be based on Census 2011)	
8.	Loan Purpose	(a)Purchase New Unit (b) Construction New Unit (c) Repurchase Existing Unit

All Statutory Towns as per Census 2011 and towns notified subsequently will be eligible for coverage under CLSS for MIG

Note: Planning Area as notified with respect to the Statutory Town and which surrounds the concerned municipal area will also be covered under the Scheme.

F. LOAN DETAILS: Purchase of Flat/House / Construction of House/ Repurchase of flat/house

1.	Estimate Of Uses Of Funds	Amount (Rs)	Estimate Of Sources Of Funds	Amount (Rs)
2.	Cost Of Purchase /Construction/Repairs/Improvement/Extension.		Loan Requested	
3.	Registration Fees		Savings In Bank	
4.	Stamp Duty		Encashable Investments	
5.	Any Other Costs		Amount Already Spent	
6.	Incidental Costs		Loan From Relatives	
7.	Insurance		Other Source (If Any)	
8.	Total		Total	
9.	Option For Payment of Interest		Fixed Rate Basis / Floating Rate Basis	
10	Mode of Repayment		ECS/ SI/ PDC/ NECS/ CASH	
11	Number of Years	MonthsYears	
12	Existing Loans / borrowing		Asset owned	

G. REFERENCE

	Name, Address & Contact Nos.	Relation
1.		
2.		

DECLARATION

- I. I/We certify that the information provided by me/us above and in annexure are true, accurate, complete and up to date in all respects.
- II. I /We have not withheld any information. Bank is at liberty to verify and take any such action as it may deem fit if my/our statements are found to be untrue.
- III. I/We understand that all of the above-mentioned information shall form the basis of my/our loan/subsidy that Bank may decide to grant to me/us at its sole discretion.
- IV. I/We confirm that the copies of Financials, Bank Statements, Title/Legal Documents, etc. submitted by me/us along with my/our loan application are true copies.
- V. I/We further acknowledge Bank has right to seek any information from any other source in this regard.
- VI. I/We further acknowledge that I / We have read, understood and agree with the Most Important Terms and Conditions governing the home loan product chosen by me/us.
- VII. I/We are bound by the terms and conditions of the facility/ies that may be granted to me/us. I/We do not own a *pucca* house either in my/our name or in the name of any member of my/our family in any part of India.
- VIII. I/We have not availed of central assistance under any housing scheme from Government of India.

- IX. I/We authorize Bank to debit my home loan account with the Bank for any fees, charges, interest etc. as may be applicable, other than the processing fee.
- X. I/We also agree and acknowledge that Bank remains entitled to assign any activities to any third party agency at its sole discretion.
- XI. I/We further acknowledge the right of Bank to provide details of my/our account to third party agencies for the purpose of availing support services of any nature by Bank without any specific consent or authorization from me/us. I/we authorize Bank to exchange, share, or part with all the information relating to my/our loan details/repayment history / information to other Bank branches / Banks / Financial Institutions / RBI / CIBIL / Credit Bureau / Agencies / Statutory Bodies as may be required and shall not hold Bank or/& its agents liable for use of this information.

Place:

Date:

Signature 1

Signature 2

Vernacular witness, if applicable:

I _____ S/o,D/o,W/o _____
 hereby declare that the contents of this application form were read and explained to me in _____ by _____ and
 I have understood the same.

(Sign of borrower/s)

Witness Name _____ Signature _____

Address _____

PNB1215

Acknowledgement Receipt

Loan application No. _____ received on _____
 (DD/MM/YYYY). Complete document set received on _____ (DD/MM/YYYY).
 Application will be disposed-off and acceptance/ rejection notification would be intimated within 15 days from date of receipt of completed application form with supporting documents.

Place:

Date:

Signature

Seal