

N-11016/2/2025-HFA-IV-MoHUA (EFS - 9202631)
Government of India
Ministry of Housing & Urban Affairs
HFA-IV Section

Sankalp Bhawan, New Delhi – 110001
Dated: 26th February 2026

To

The Pay & Accounts Officer (Sectt.),
Ministry of Housing and Urban Affairs,
Nirman Bhawan, New Delhi.

Sub: Release of advance of subsidy to Housing and Urban Development Corporation Ltd. (HUDCO) under Interest Subsidy Scheme (EWS/LIG) vertical of PMAY-U 2.0.

Sir,

I am directed to convey the sanction of the President of India for release of **₹30,71,541/- (Rupees Thirty Lakh Seventy One Thousand Five Hundred Forty One only)** as advance subsidy to Housing and Urban Development Corporation Ltd. (HUDCO) being the Central Nodal Agency for implementation of **Interest Subsidy Scheme vertical of PMAY-U 2.0** for making direct release to the Primary Lending Institutions (PLIs) which have signed MoUs with HUDCO under the scheme, based on the claims submitted by PLIs towards the loans disbursed as per the scheme for the FY 2025-26.

2. The release of funds to CNA is further subject to the following terms and conditions:-
- (i) The release made by MoHUA shall be kept in a separate designated account for utilization towards the implementation of the scheme and shall not form part of their general financial operations.
 - (ii) The money will be utilised only for the purpose for which it has been sanctioned. Otherwise, these will have to be refunded along with interest as per provisions under GFR-2017
 - (iii) CNA will exercise requisite checks and due diligence in settlement of claims.
 - (iv) CNA will obtain required data and documents from the respective PLI and furnish a utilization certificate towards the release made as soon as possible.
 - (v) The subsequent amounts of interest subsidy will be released to CNA after 75% utilization of earlier released amounts, on quarterly basis, and based on claims raised by CNA in the prescribed format (Annexure 11 and its enclosure as per scheme guidelines).
 - (vi) Subsidy will be credited by the PLI to the borrower's account by deducting it from the principal loan amount of the borrower within 7 days from the date of fund release by CNA to PLI and updating on Unified Web-Portal.
 - (vii) PLIs will be given a lump sum amount of ₹4,000/- per sanctioned application in lieu of processing fee for housing loan for the borrower under the scheme. In order to incentivize the designated staff of ULBs or NGOs a sum of ₹500 per sanctioned application would be paid out of ISS funds payable through State/UT Governments.
 - (viii) 0.1 % of total fund disbursement to the PLIs will be paid to CNA for their administrative expenses for which CNA will furnish the details to MoHUA.
 - (ix) CNA will submit progress reports including the details of expenditure to MoHUA regularly in the prescribed formats.
 - (x) Where there is an element of cash transfer the same may be made through PFMS/DBT mode as applicable.

Contd. 2



3. The amount of ₹30,71,541/- is debitible from the account of the Central Government in the books under following Head of Account under Demand No. 60 of Ministry of Housing & Urban Affairs for the year 2025-26:

Major Head:	2216	Housing
Sub-Major Head	02	Urban Housing
Minor Head	190	Assistance to Public Sector and Other Undertaking
Sub Head	20	Pradhan Mantri Awas Yojana (Urban) 2.0
Detailed Head	01	Interest Subsidy Scheme-I (ISS-I) for EWS/LIG
Object Head	33	Subsidy

4. The Drawing and Disbursing Officer of MoHUA will prepare the bill and the amount may be transferred to HUDCO through e-payment as per the details as under:

Account Name	HUDCO Ltd. Interest Subsidy Scheme
Account No.	44479015914
Bank Name	State Bank of India
Bank Address	SBI India Habitat Centre, Lodhi Road, New Delhi
IFSC Code	SBIN0061720

5. As per rule 236(1) of GFR, 2017, the relevant accounts of the Grantee institution (s) / Organisation(s) shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institution or Organisation is called upon to do so.

6. This issues with the concurrence of the Finance Division vide their **Note# 25-27 dated 02-01-2026.**

7. Details of this sanction have been registered at S.No. 317 in the Sanction Register of the HFA Directorate (HFA-III Section) of MoHUA for the year 2025-26.

Yours faithfully,



(Sanjeev Kumar Sharma)

Under Secretary to the Government of India

Copy to:

1. Section Officer, Admin II Section, MoHUA.
2. Chairman and MD, HUDCO, HUDCO Bhawan, Core 7A, India Habitat Centre, Lodhi Road, New Delhi – 110 003.
3. CCA, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi.
4. Principal Director of Audit, Infrastructure, A-Wing, 3rd Floor, IP Bhawan, New Delhi – 110002.
5. O/o CGA, Mahalekha Niyantarak Bhavan, New Delhi
6. Director (IFD), M/o HUA.
7. O/o DDG (HFA-III)
8. US (HFA-III)
9. Dy. Chief (MIS/DRMC), HFA Directorate to place this sanction at appropriate place on the Website of the Ministry
10. PMU (MIS), HFA Directorate
11. AO (HFA), MoHUA
12. Budget Section, M/o HUA.
13. Sanction folder/File copy.



(Sanjeev Kumar Sharma)

Under Secretary to the Government of India

31st Dec, 2025

Shri R K Gautam

Deputy Director General
Ministry of Housing & Urban Affairs,
3rd Floor, Sankalp Bhawan,
GPOA-2 Building,
KG Marg, New Delhi - 110 001

Sub: Release of ISS Subsidy

Sir,

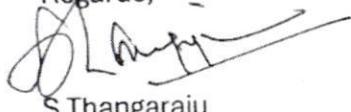
HUDCO was nominated as Central Nodal Agency (CNA) for implementation of Interest Subsidy Scheme (ISS) and has signed MoU with Ministry of Housing and Urban Affairs for channelizing the subsidy. HUDCO has executed MoUs with two Primary Lending Institutions (PLIs)/ Banks i.e. Indian Bank and Cholamandalam Investment Fin. Co. Ltd, for disbursement of ISS subsidy to the eligible borrowers.

HUDCO, through ISS Portal, has approved subsidy release request from the above PLIs for their 96 EWS/LIG and MIG category applicants, as per details given below:

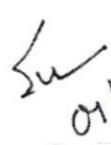
Bank/Category	No. of Cases	Subsidy	Fee	Total
EWS/LIG				
Indian Bank	65	22,89,047	2,60,000	25,49,047
Cholamandalam Invest. Fin. Co. Ltd.	23	7,49,240	92,000	8,41,240
Total	88	30,38,287	3,52,000	33,90,287
MIG				
Indian Bank	4	1,34,050	16,000	1,50,050
Cholamandalam Invest. Fin. Co. Ltd.	4	1,44,000	16,000	1,60,000
Total	8	2,78,050	32,000	3,10,050
GRAND TOTAL	96	33,16,337	3,84,000	37,00,337

As approved, and as per availability of fund, pass for payment of ₹ 3,10,050/- + ₹ 3,18,746/- = ₹ 6,28,796/-

In this regard, it is requested that the Ministry may kindly release funds amounting to ₹37,00,337/- through the PFMS Portal, to enable disbursement to the respective PLIs for onward credit to the borrowers' housing loan accounts.

Regards,

S Thangaraju
Executive Director (Project)

 01/01/2026
USC/PPA/4

 01/01/26
50 (HSA)
अजीत कुमार मदानी / Ajit Kumar Bhanu
अनुमान अधिकारी / Section Officer
आवासन और शहरी कार्य मंत्रालय
Ministry of Housing & Urban Affairs
भारत सरकार / Govt. of India
संकल्प भवन, नई दिल्ली-110001
Sankalp Bhawan, New Delhi-110001
06/01/2026
02/01/26
Sh. N.M.M.

हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम)
आई एस ओ 9001:2015 प्रमाणित कंपनी
कोर - 7ए, हडको भवन, इंडिया हैबिटेट सेंटर, लोधी रोड,
नई दिल्ली 110003, दूरभाष : 011-24649610-21

Housing and Urban Development Corporation Limited
(A Government of India Enterprise)
AN ISO 9001 : 2015 CERTIFIED COMPANY
Core - 7 'A', HUDCO Bhawan, India Habitat Centre, Lodhi Road,
New Delhi - 110003, Tel. : 011-24649610-21

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Financing Assets for Viksit Bharat

Note # 24

01/01/2026 03:40 pm

SUBHASH CHANDER
US(IFD-II)

Note # 25

Integrated Finance Division

Reference: Preceding Note#17 onward

The proposal from HFA Division seeks concurrence of IFD for release of **₹37,00,337 to Housing and Urban Development Corporation Ltd. (HUDCO), a Central Nodal Agency (CNA)** as advance subsidy to be utilized under ISS vertical of PMAY-U 2.0.

2. PD has stated that MoHUA has launched PMAY-U 2.0 'Housing for All' Mission with effect from 01.09.2024 for implementation in urban areas across the country to construct, purchase and rent a house by 1 crore additional eligible beneficiaries at affordable cost through four verticals i.e., Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), Affordable Rental Housing (ARH) and Interest Subsidy Scheme (ISS).

3.1 As per para-5.4 for Interest Subsidy Scheme (ISS) of PMAY-U (2.0), a Central Sector Scheme, 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. Households belonging to EWS, LIG and MIG category with an annual income of up to ₹3 lakh, ₹6 lakh and ₹9 lakh, respectively will be eligible to avail the benefit of the Scheme.

3.2 As per para-5.4.3 the scheme guidelines, a maximum release of interest subsidy of ₹1.80 lakh having maximum NPV of ₹1.50 lakh (at Discount Rate of 8.5%) shall be provided to eligible beneficiaries having a loan tenure of more than five years. Households having income up to ₹9 lakh, loan value up to ₹25 lakh for property value up to ₹35 lakh would be eligible for a subsidy at 4.0 % on first ₹8 lakh for a tenure up to 12 years. The carpet area of houses under this component shall be up to 120 sqm. Subsidy to the beneficiaries will be released in 5 equal yearly installments.

4. PD has further stated that for implementation of ISS vertical of PMAY-U 2.0 mission, Ministry has identified **three Central Nodal Agencies** (CNAs) i.e. National Housing Bank (NHB), Housing and Urban Development Corporation Ltd. (HUDCO) and State Bank of India (SBI) to channelize the subsidy to the Primary Lending Institutions (PLIs). These CNAs have signed Memorandum of Understanding (MoU) with the PLIs for implementation of the scheme. SBI Corporate Centre, Mumbai will act as a CNA for SBI Bank branches only.

5.1 As per Para 10.1 the scheme guidelines, *"Funds will be released to CNAs as per PFMS/DoE guidelines as applicable from time to time. The advance subsidy will be released to each CNA upon submission of expected demand of claims by the PLIs. The subsequent amount of interest subsidy will be released to the CNAs after 75% utilization of earlier amounts, on quarterly basis and based on the claim raised by CNAs as per Annexure-11 and its enclosure."*

5.2 As per Para 10.3 of the scheme guidelines has been reiterated below for ready reference, *"In lieu of the processing*

fee for housing loan for the borrower under the Scheme, PLIs will be given a **lump sum amount of ₹4,000 per sanctioned application for EWS/LIG and MIG beneficiaries**. PLIs will not take any processing charge from the beneficiary for housing loans up to the eligible loan amount as per income criteria under the Scheme. For additional loan amounts beyond the eligible loan amounts, PLIs can charge the normal processing fee in proportion"

6.1 PD has furnished the Sanction-wise details of advance subsidy earlier released to HUDCO under ISS may be referred below:

S.No.	Category	Advanced Subsidy Released	Sanction date
1	EWS/LIG	₹21,81,254	<u>30-09-2025</u>
2	MIG	₹8,19,646	<u>30-09-2025</u>
	Total	₹30,00,900	-

6.2 PD has stated that, as per the Utilization Certificate as on 31.12.2025 submitted by HUDCO, the entire amount of **₹0.30 crore** released earlier has been fully utilized (100% utilization) by HUDCO under the ISS vertical of PMAY-U 2.0.

7. PD has furnished the details of claims requested by HUDCO in respect of **96 applicants** under EWS/LIG and MIG categories, aggregating to **₹37,00,337** (₹33,90,287 under EWS/LIG and ₹3,10,050 under MIG), as detailed below:

Bank/Category	No. of Cases	Subsidy	Fee	Total
EWS/LIG				
Indian Bank	65	22,89,047	2,60,000	25,49,047
Cholamandala m Invest. Fin. Co. Ltd.	23	7,49,240	92,000	8,41,240
Total	88	30,38,287	3,52,000	33,90,287

MIG				
Indian Bank	4	1,34,050	16,000	1,50,050
Cholamandala m Invest. Fin. Co. Ltd.	4	1,44,000	16,000	1,60,000
Total	8	2,78,050	32,000	3,10,050
GRAND TOTAL	96	33,16,337	3,84,000	37,00,337

8. Accordingly, PD has sought the concurrence of IFD for release **₹37,00,337 to HUDCO** (₹33,90,287 for EWS/LIG and ₹3,10,050 for MIG) as advance subsidy under ISS vertical of PMAY-Y 2.0.

9. The proposal has been recommended by **JS(HFA)** vide Note#21.

10. In view of the above, IFD may **concur (FC)** in the PD's proposal for release of **₹37,00,337 to HUDCO (CNA)** (₹33,90,287 for EWS/LIG and ₹3,10,050 for MIG) as advance subsidy under ISS vertical of PMAY-U 2.0, **subject to:**

- (i) approval of the competent authority,
- (ii) availability of sufficient funds under the relevant budget head at the time of release in FY 2025-26, and
- (iii) subsequent releases to be strictly as per utilization norm (after 75% utilization) and quarterly claim settlement provisions of the scheme guidelines.

02/01/2026 06:50 pm

**SUBHASH CHANDER
US(IFD-II)**

Note # 26

02/01/2026 06:51 pm

SHOBH NATH
JOINT DIRECTOR

Note # 27

02/01/2026 07:06 pm

SANJEET
JS & FA
