Review Meeting of All States/UTs

Pradhan Mantri Awas Yojana (PMAY) - Credit Linked Subsidy Scheme (CLSS)

New Delhi
17th June, 2016
Achievement of HUDCO as Central Nodal Agency (CNA) as on 15th June 2016

- HUDCO as Central Nodal Agency (CNA) has executed Memorandum of Understanding with 40 Banks/Prime Lending Institutions (PLIs).
- Out of 40 Banks, there are 2 Public Sector Banks, 6 Private Sector Banks, 15 Grameen Banks and 17 Cooperative Banks.
- Total 60 beneficiaries with a loan amount of Rs.370.27 Lakh and a subsidy claim amount of Rs.84.13 Lakh have been received & disbursed.
- 2-3 days for processing/disbursal of subsidy by HUDCO after compliance of all the requirements.
Issues/Challenges while processing subsidy claims from PLIs

- PLIs to forward subsidy claims as per following laid down procedure.
  - Claims to be forwarded in Electronic/Physical form
  - Master data to be forwarded in Electronic/Physical form
  - PLIs sometimes do not properly fill in the required Master data which results in delay in release of subsidy
Common deficiencies during processing of subsidy claims is as follows:

- Details of family members apart from borrower and co-borrower, their name and ID proof not being submitted.
- Loan Sanction Date, Date of First Disbursement, Current Loan Installment Date for which subsidy claimed are left blank.
- Stage of Construction
- ID Proof/UID details of the beneficiaries

Non-furnishing of the above details results in delay in release of subsidy.
Reasons for slow progress of CLSS scheme

- Generally Banks/Prime Lending Institutions are hesitant to lend to the target beneficiaries most of whom have informal income and informal titles.
- Non-dissemination of scheme information to the beneficiaries.
- State Level Nodal Agencies (SLNAs) to make more efforts to propagate the scheme to the beneficiary level.
- Beneficiaries are not appreciating the financial benefits accrued through reduced EMIs.
Suggested steps for increasing releases under CLSS Scheme

- Need for sensitization the beneficiaries.
- The State Level Nodal Officers/Prime Lending Institutions to give vide publicity to the scheme.
- PLIs to have prominent place for CLSS information on the homepage on their respective websites.
- Nodal officers to be appointed in each District who would propagate the scheme.
- Pamphlets/literature on the subject to be made in vernacular languages and to be distributed widely.
- HUDCO as a CNA will assist the Authorities/ULBs in organizing Workshops, Seminars etc. and play a proactive role in sensitizing beneficiaries.
Suggested steps for increasing releases under CLSS Scheme

- State Level Banking Committees (SLBs) to review progress of CLSS
- CLSS subsidy may be made available to State Housing Boards & Development Authorities, who are allotting houses to EWS/LIG category on Hire-purchase scheme
- CLSS Subsidy may be made available to Apex Cooperative Housing Societies.
- SLNAs may identify potential beneficiaries under CLSS eg. Madhya Pradesh, Jharkhand, Gujarat
- Sharing of best practices adopted by States.
- CMD HUDCO has written letters to District Collectors for propagating the CLSS Scheme.
- HUDCO Regional Chiefs are meeting Govt. Deptt. Such as Police Housing Corporation, Transport Deptt. To disseminate the CLSS Scheme
Thank You