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# Housing for All by 2022

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, gave its approval for launch of "Housing for All by 2022" aimed for urban areas with following components/options to States/Union Territories and cities:-

a) Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
b) Promotion of affordable housing for weaker section through credit linked subsidy;
c) Affordable housing in partnership with Public & Private sectors and
d) Subsidy for beneficiary-led individual house construction or enhancement.

**Central grant of Rs. one lakh per house**, on an average, will be available **under the slum rehabilitation programme**. A State Government would have flexibility in deploying this slum rehabilitation grant to any slum rehabilitation project taken for development using land as a resource for providing houses to slum dwellers.

Under the Credit Linked Interest Subsidy component, **interest subsidy of 6.5 percent on housing loans availed upto a tenure of 15 years will be provided to EWS/LIG categories**, wherein the subsidy pay-out on **NPV basis would be about Rs.2.3 lakh per house for both the categories**.

- LIG - **Lower Income Group**
- EWS - **Economically Weaker Section**

**Central assistance at the rate of Rs.1.5 lakh per house for EWS category** will be provided under the Affordable Housing in Partnership and Beneficiary-led individual house construction or enhancement.

State Government or their para statals like Housing Boards can take up project of affordable housing to avail the Central Government grant.

The scheme will be implemented as a **Centrally Sponsored Scheme** except the credit linked subsidy component, which will be implemented as a **Central Sector Scheme**.

The Mission also prescribes certain mandatory reforms for easing up the urban land market for housing, to make adequate urban land available for affordable housing.

Houses constructed under the mission would be allotted in the name of **the female head of the households** or in **the joint name of the male head of the household and his wife**.

*The scheme will cover the entire urban area consisting of 4041 statutory towns with initial focus on 500 Class I cities and it will be implemented in three phases as follows*, viz.

a) **Phase-I (April 2015 – March 2017)** to cover 100 Cities to be selected from States/UTs as per their willingness;
b) **Phase – II (April 2017 – March 2019)** to cover additional 200 Cities and
c) **Phase-III (April 2019 – March 2022)** to cover all other remaining Cities.

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However, there will be flexibility in covering number of cities in various phases and inclusion of additional cities may be considered by the Ministry of Housing & Urban Poverty Alleviation in case there is demand from States and cities and have capacity to include them in earlier phases.

Credit linked subsidy component of the scheme would be implemented across the country in all statutory towns from the very beginning.

**Dimension of the task at present is estimated at 2 crore**. Exact number of houses, though, would depend on demand survey for which all States/Cities will undertake detailed demand assessment for assessing actual demand by integrating Aadhar number, Jan Dhan Yojana account numbers or any such identification of intended beneficiaries.

**Housing sector contributes 5% to the GDP**

According to a senior Housing and Urban Poverty Department Alleviation official, at present, with the interest rate of 10.50 per cent, current EMI on admissible loan component of Rs 6 lakh, over 15-year loan duration works out to be Rs 6,632 per month.

With Cabinet deciding on credit-linked subsidy to 6.5 percent, EMI comes down to Rs 4,050 per month, benefiting the urban poor by Rs 2,582 per month.

On the whole, central assistance in the range of Rs 1 lakh to Rs 2.30 lakh per beneficiary would be provided under different components of the National Urban Housing Mission in urban areas to build 2 crore new houses to meet the housing shortage, over the next 7 years.

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