

PRADHAN MANTRI AWAS YOJANA(PMAY)

1. PURPOSE:

- Purchase of House/Flat, Construction of House on the site owned, Purchase of flats under construction.
- Repairing work and addition of rooms, kitchen, toilet etc. to existing dwelling Kucha unit requiring extensive renovation to make Pucca House.
- Purchase of new House/Flat confirming to area norms
- The carpet area of house being constructed/enhanced should be upto 30 sq. meters for EWS beneficiaries and 60 Sq. meters for LIG beneficiaries respectively. (Carpet Area is the Area enclosed within walls).
- A house is defined as an all-weather single unit or a unit in a multi storied super structure having carpet area of upto 30 sqm. for EWS and up to 60 sqm. for LIG category with adequate basic services.
- The eligible beneficiary, at his/her discretion, can build a house of larger area but interest subsidy will be limited to loan amount of first Rs.6 lakh only.
- For extension/repairs to the existing Houses, the area limit will be 30 sq. m and 60 sq. m built up area for EWS and LIG category respectively.

2. ELIGIBILITY:

AGE OF THE BENEFICIARIES:

Age of the beneficiaries shall be 21 years to 55 years. However, if the age of the Family Head/Beneficiary is more than 50 years, the major legal heir to join the loan.

INCOME LEVELS:

For E W S beneficiaries the annual house hold income shall be up to Rs. 3.00 Lakhs. For L I G beneficiaries the annual house hold income shall be above Rs.3.00 Lakhs and up to Rs.6.00 Lakhs.

PROOF OF INCOME:

- For Salaried/Employed beneficiaries- Salary Certificate, Salary Slips, Form 16, ITRs whichever is applicable.

- For Self Employed/Professional and other beneficiaries- Self declared income certificate/Affidavit can be submitted for annual income upto Rs.2.50 Lakhs. For annual income above Rs.2.50 lakhs, suitable income proofs to be submitted.

OTHER CONDITIONS:

- A beneficiary is defined as a family comprising of Husband, Wife and Unmarried children and they should not own a pucca house in his/ her name or in the name of any member of the family in any part of India.
- Houses/Flats to be financed to have basic civic facilities like Water, Electricity, Toilet, Sanitation, Sewerage, Roads etc.
- The House constructed/acquired should be in the name of female head of the household or in the joint names of male head of the household and his wife. Only in cases, where there is no adult female member in the family, the house can be in the name of male member of the household.

However this stipulation is applicable only for new purchases and not for new construction (on an existing piece of land) or for enhancement/repairs of an existing house.

- Beneficiaries can apply for the loan either directly or through Urban Local Body or NGO or through the Local Agency identified by the State/ULB.
- NRIs are also eligible under the scheme.

3. QUANTUM:

Four times gross annual income with NTH of 40% after considering the EMI of the proposed loan.
Maximum eligible Loan is Rs. 24.00 Lacs

4. MARGIN:

Loan Amount	New House/ Flat	Old House/Flat	
		Upto 10 years old	>10 years old
Upto Rs. 30.00 Lacs	10%	20%	25%
Above Rs. 30.00 Lacs & upto Rs.75.00 Lacs	20%	20%	25%

6. DISBURSMENT:

In case of construction purpose, disbursement shall be made in stages as per progress in construction.(Maximum 4 stages). However, the construction to be completed within 18 months to become eligible for subsidy.

7. REPAYMENT:

- The loan is to be repaid in EMIs within 15 years including the moratorium period.
- Tenure of the loan can be more than 15 years, but the interest subsidy will be applicable for tenure upto 15 years.
- In case of construction of House/Flat Repayment to start one month after completion of House/Flat or 18 months of first disbursement whichever is earlier. In case of Ready Built House/Flat, Repayment to start one month after the disbursement.

8. SECURITY:

- EMT of the House/flat to be purchased / constructed.
- For LIG beneficiaries, in case of loan above 8.0 lakhs suitable third party guarantee may be insisted.

9. SUBSIDY UNDER THE SCHEME:

- The Beneficiary will be eligible for an interest subsidy at the rate of 6.5% for a tenure of 15 years or tenure of loan whichever is lower. The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9%.
- Interest subsidy will be available for loan amount only upto Rs. 6.00 Lakhs and loan amount beyond 6.00 Lakhs, if any, will be at non-subsidized rate i.e., at normal Bank rate.
- Bank will claim the subsidy from respective Central Nodal Agency (CNA) after disbursement of loan and it will be credited upfront to the loan account resulting in reduced effective Housing Loan & EMIs.
- In case a borrower, who has taken a Housing Loan and availed of interest subvention under the scheme, later on, switches over to another lending institution, such beneficiary will not be eligible for interest subvention again.
- If the account becomes NPA or Project is stalled or construction is not completed in 18 months, the interest subsidy will be recovered and refunded to Central Nodal Agency.