

No.O-17034/81/2015-HFA-IV/FTS-13945  
Government of India  
Ministry of Housing and Urban Poverty Alleviation  
(HFA- 4 Section)

Nirman Bhawan, New Delhi-110011  
Dated the 19<sup>th</sup> December, 2016

To

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**Sub:- Credit Linked Subsidy Scheme - Clarification regarding.**

Sir,

I am directed to refer to the PMAY(U) scheme guidelines and to say that in paragraph 1.3 of the guidelines, it is, inter-alia, stated that "The beneficiary family should not own a pucca house ( an all weather dwelling unit) either in his/her name or in the name of any member of his/her family in any part of India to be eligible to receive central assistance under the mission." The definition of 'beneficiary' under the Scheme guidelines also emphasises the above condition.

2. The Mission guidelines also provide for enhancements / incremental housing to the existing 'pucca' house under the Credit Linked Subsidy Scheme component (paragraph 5.3) and the Beneficiary-Led Individual house construction component (paragraph 7).

3. It has been brought to the notice of the Ministry that some banks/financial institution are erroneously interpreting the condition envisaged in paragraph 1.3 of the guidelines to decline / not entertain applications from potential beneficiaries seeking housing loans for addition of room, kitchen, toilet etc. to their existing dwellings as incremental housing as envisaged under paragraph 5.3 of the guidelines, solely on the ground that the applicant is already possessing a pucca house.

4. It may be noted that through the PMAY(U) mission, the Government is not only addressing the issue of the urban houseless but also seeks to address the issue of congestion in urban households through the enhancement/incremental housing initiative. This is sought to be achieved through enhancement of the existing pucca house. Declining to entertain an application for enhancement/incremental housing under the PMAY(Urban) Mission solely on the ground that the individual already has a pucca house is, thus, an incorrect interpretation of the scheme guidelines.

Contd/-

5. It is, therefore, clarified that the condition that the beneficiary 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, is not to be applied to cases of enhancement / incremental housing referred to in paragraphs 5.3 and 7 as long as the enhancement/ incremental housing is with regard to the existing lone pucca house owned by the beneficiary.

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Yours faithfully,

  
(S.K. Valiathan)

Deputy Secretary to the Govt. of India  
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