



## **MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED**

### **Note on Credit Linked Subsidy Scheme under Pradhan Mantri Awas Yojana (PMAY)**

#### **Eligibility of Borrowers:**

1. Borrowers eligible are urban poor known to be Economically Weaker section (EWS) and Low Income Group (LIG).
2. This scheme is available only for new borrowers, old sanctioned and disbursed loans will not be eligible. However, subsidy is available on balance transfers.
3. The beneficiary family 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.
4. The loan should be for the property located in the urban area as per 2011 census.
5. The purpose of loan should be Acquisition/New construction/ addition of room, kitchen, toilet, etc. Repairing work to the existing house can be undertaken in houses which are kutcha, semi pucca and require extensive renovation.
6. In case if the house is being constructed or enhanced the carpet area should be up to 30 meters for EWS and 60 meters for LIG respectively.
7. The house should be constructed within 36 months from the date of the disbursement of the 1<sup>st</sup> installment of the loan amount.

#### **Amount of subsidy and interest:**

- Tenure-15 years
- Subsidized Loan Amount maximum up to Rs.6 lakhs
- Subsidy Percentage- 6.5%
- Mode of payment: Upfront payment of total subsidy resulting in reduced loan amount and EMI.

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Note: The subsidized rate of interest shall not be available on loan amount above Rs.6 lakhs and tenure above 15 years.

**Procedural Points:**

1. Preference under the scheme is given to Manual Scavengers, Women (with overriding preference to widows), persons belonging to Scheduled Castes/Scheduled Tribes/Other Backward Classes, Minorities, Persons with disabilities and Transgender.
2. The individual is required to submit self-certificate/affidavit as proof of income.
3. If any borrower under this scheme switches to another PLI for balance transfer then he/she cannot claim the benefit of interest subvention again
4. In case of default in repayment of loan or the loan becoming NPA the lender is required to proceed for the collection of dues through measures as appropriate. The amount of recoveries will be charged to the subsidy amount on a proportionate basis.
5. Any moratorium granted to borrowers will be within the overall limit of 15 years.
6. Subsidy will be received by NHB according to the loan disbursed to the borrower maximum in 4 installments.
7. No amount should be recovered from the beneficiaries towards processing charges. Processing fees of Rs.1000 will be claimed from NHB per sanction.