

I. Introduction

PMAY is a Credit Linked Subsidy scheme, for Economically Weaker section (EWS) and Low Income Group (LIG) which has been implemented by the Ministry of Housing & Urban Poverty Alleviation (MHUPA) effective from 17th June 2015. Pradhan Mantri Awas Yojana Subsidy can be allotted to all eligible home loans sanctioned on or after 17th June 2015. The beneficiary would be eligible for interest subsidy on purchase/construction of a house.

II. Beneficiary

Beneficiaries of scheme are as under:

- Families comprising of husband, wife and unmarried children - 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.

- Economically Weaker Section (EWS), whose annual house hold income is up to Rs. 3 lakh.

- Low Income Group (LIG) whose annual house hold income is above Rs.3 lakh and up to Rs. 6 lakh.

- 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.

III. Features of the scheme

- Subsidy benefit of 6.5% p.a. for first home buyers
- Upfront Subsidy benefit on principal outstanding

FAQs

1. What is PMAY-Credit Linked Subsidy Scheme?

Pradhan Mantri Awas Yojana - Credit Linked Subsidy, is a scheme launched by our honorable Prime Minister Shri Narendra Modi Ji for Economically Weaker section (EWS) and Low Income Group (LIG)

The beneficiary would be eligible for interest subsidy on purchase/construction of a house.

2. Who can avail Credit Linked Subsidy Scheme? What are the Eligibility Criteria?

A beneficiary is defined as -

- A family comprising of husband, wife and unmarried children.

The beneficiary Family should meet the following conditions in order to be eligible for Pradhan Mantri Awas Yojana:

- 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 to receive central assistance under the Mission.
- Meeting income criteria defined under scheme
- Woman Ownership is mandatory in the property under consideration for all cases except in cases where the land is already owned by the customer and loan is availed only for self-construction of a house over the self-owned land.

- The Property must have basic trunk infrastructure such as water supply, electricity supply and Drainage/Sanitation facility.

3. What are the income norms for EWS and LIG categories?

The income norms for EWS/LIG categories are defined as follows:

- EWS households with an annual income up to INR 3.00 lakhs
- LIG households with an annual income between INR 3.00 lakhs to INR 6.00 lakhs.

4. What is the applicable interest subsidy and the loan amount?

Beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans would be eligible for an interest subsidy at the rate of 6.5 % for a tenure of 20 years or the tenure of loan whichever is lower on initial 6 lakhs.

Any additional loans beyond INR 6 lakhs, will be at nonsubsidized rate.

*for loans sanctioned between 17.06.15 to 31.12.16, the maximum subsidized loan tenure is 15 years for the sake of all subsidy computation purposes.

5. How will I receive the interest subsidy benefit?

The bank will claim subsidy benefit for eligible borrowers from National Housing Bank. The NHB will conduct a due diligence to exclude claims where customer has submitted multiple request. For all eligible borrowers the subsidy amount would be paid to Bank. Once bank receives the interest subsidy, it will be credited upfront to your loan account. Subsidy will be calculated on NPV basis @9% discount rate.

E.g.: The borrower avails a loan for Rs. 8.00 lakhs and subsidy thereon works out to Rs. 2.67 lakhs, the amount (Rs. 2.67 lakhs) would be credited upfront to the loan account as a part payment (i.e., the outstanding loan principal would reduce to Rs. 5.33 lakhs) and the borrower would pay EMIs on the reduced amount of Rs. 5.33 lakhs.

The above example is for illustration purpose only and subsidy effect will depend on the actual amount received or any changes done by NHB on same.

6. What is the size of dwelling units under Credit Linked Subsidy Scheme?

Credit linked subsidy is available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc. to existing dwellings as incremental housing. The carpet area of houses being constructed under this component should be up to 30 sq. m. for EWS category and up to 60 sq. m. for LIG category. However, the beneficiary can construct a bigger house.

7. Where can I apply for Credit Linked Subsidy Scheme?

You can apply for housing loan under CLSS at any of ICICI Bank Branches.

8. Is there any loan amount limit on these?

No there is no loan amount limit under this category of loans

9. I have a small business. Can I avail home Loan under this scheme?

Yes, you can avail this facility, if you qualify for income criteria as defined under scheme.

10. What is the maximum loan amount considered under PMAY CLSS for EWS/LIG?

There is no Limit to the maximum loan amount. However, the interest subsidy is applicable only on the First 6 Lacs of Loan Amount

11. What is the subsidized interest rate per annum under PMAY scheme?

The interest subsidy is calculated on a subsidized interest rate of 6.5 percent annually. So if your loan ROI is 9.5%, then you will be subsidized/financed by the government for an amount which is equivalent to the "Net Present Value Of The Interest Paid Calculated For A Loan ROI Of 6.5%, Tenure Of 20 Years And Loan Principal Of 6 Lakhs."

12. As per National Housing Bank (NHB) Income Norms, what is the maximum income of an Economically Weaker Section (EWS) household?

The EWS (Economically weaker section category is the one in which the Maximum annual family income does not exceed INR 3,00,000)

13. As per NHB Income Norms, what is the maximum income of a Low Income Group (LIG) household?

The LIG (Low Income Group category is the one in which the Maximum annual family income does not exceed INR 6,00,000)

14. What is the maximum number of members in the family to be eligible for Pradhan Mantri Awas Yojana (PMAY) Scheme?

There is no limit on the number of family members.

15. What is the minimum and maximum range of Subsidy that is possible under PMAY scheme?

The subsidy benefit varies as per allotted ROI, Tenure and Loan Amount. However, it ranges between 0 to 2.67 Lakhs*

*maximum subsidy is between 0 to 2.2 lakhs for loans sanctioned between 17.06.15 to 31.12.16

16. When was the PMAY scheme launched by the government?

Pradhan Mantri Awas Yojana scheme was launched by Government on 17th June 2015.

17. Mr. X is found to be eligible to receive a PMAY subsidy on his existing Home Loan of 20L at the rate of 9.4% per annum and having a tenure of 22 years. The subsidy possible is: INR 267,280. What would be the effect on the loan parameters once the subsidy is transferred?

For all the eligible customer the subsidy would be credited to the customers LOAN Account as a part payment and this would reduce the customers Outstanding Loan Amount. This further reduces the EMI.

18. What is the Finnone Scheme ID for PMAY Scheme?

The Pradhan Mantri Awas Yojana Scheme has to be booked as a Separate Scheme with the scheme code 100594 OR 100727.

19. What is the maximum loan amount and the maximum tenure on which the PMAY subsidy is applicable?

The Pradhan Mantri Awas Yojana Scheme is applicable on the First Six lakhs of the Loan Principal amount for a maximum considered tenure of 15 years for all loans sanctioned between 17th June, 2015 and 31st December, 2016 (both dates inclusive). For the loans sanctioned on or after 01st January, 2017 the maximum considered tenure for subsidy processing is 20 years.

20. How many houses can a Customer or his family members own prior to applying for the Loan under PMAY scheme?

In order to be eligible for the Pradhan Mantri Awas Yojana Scheme, the residential property under consideration must be the first Pucca House for the entire dependent family of the beneficiary.

21. PMAY subsidy is applicable for what category of customer profiles?

Pradhan Mantri Awas Yojana is available for both; Salaried as well as Self Employed Professionals

22. What from the following is required as an additional document over and above the standard set of documents to avail the PMAY Subsidy?

Apart from the standard set of documents, there is no additional documents except a declaration of Meeting all the eligibility norms of PMAY CLSS for EWS/LIG.

23. What is the nature of the Subsidy granted under Pradhan Mantri Awas Yojana scheme?

The subsidy granted under Pradhan Mantri Awas Yojana scheme is an Interest Subsidy meaning that the Interest portion of the Repayment of the Loan is subsidized.

24. What is the processing fee to be collected from customers eligible PMAY CLSS for EWS/LIG scheme cases?

For all cases processed under PMAY CLSS for EWS/LIG, the processing fee has to be waived off for first 6 lakhs of the loan amount. PF to be collected at standard rates as applicable for Loan amount over and above 6 Lakh.

FAQs

1. What is PMAY-Credit Linked Subsidy Scheme?

PMAY MIG is a Credit Linked Subsidy scheme, for Middle Income Groups (MIG) having an income either between INR 6 L to 12 L henceforth referred to as MIG I or between INR 12 L to 18 L.

The beneficiary would be eligible for interest subsidy on purchase/construction of a house.

2. Who can avail Credit Linked Subsidy Scheme?

An eligible beneficiary is defined as -

- A family comprising of husband, wife and unmarried dependent children.
- Beneficiary can also be an unmarried individual earning member of the family.
- 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.
- Beneficiary should not have received central assistance under the Mission.
- Beneficiaries belonging to MIG I OR MIG II income groups

3. What are the income norms for MIG I/MIG II categories?

The income norms for MIG I/MIG II categories are defined as follows:

- MIG I households/individuals with an annual income more INR 6.00 lakh and up to 12.00 lakh
- MIG II households/individuals with an annual income more than INR 12.00 lakh to INR 18.00 lakh

4. What is the applicable interest subsidy and the loan amount?

Beneficiaries of MIG I and MIG II income groups seeking housing loans would be eligible for an interest subsidy at the rate of 4% on a loan amount of 9 lakhs and 3% on a loan amount of 12 lakhs respectively for a tenure of 20 years or total tenure of loan whichever is lower.

Any additional loan amount beyond the limits stated above, will be at a nonsubsidized rate.

5. How will I receive the interest subsidy benefit?

The bank will claim subsidy benefit for eligible borrowers from National Housing Bank. The NHB will conduct a due diligence to exclude claims where customer has submitted multiple request. For all eligible borrowers the subsidy amount would be paid to Bank. Once bank receives the interest subsidy, it will be credited upfront to your loan account.

Subsidy will be calculated on NPV basis @9% discount rate.

E.g.: The borrower avails a loan for Rs. 24.00 lakhs and subsidy thereon works out to INR 2.30 lakhs, the amount (INR 2.30 lakhs) would be credited upfront to the loan account as a part payment (i.e., the outstanding loan principal would reduce to Rs. 21.70 lakhs) and the borrower would pay EMIs on the reduced amount of INR 21.70 lakhs.

The above example is for illustration purpose only and Loan parameters post subsidy effect will depend on the actual amount received or any changes done by NHB on same.

6. Is there any loan amount limit on these?

No there is no loan amount limit under this category of loans

7. What is the size of dwelling units under Credit Linked Subsidy Scheme?

Credit linked subsidy is available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc. to existing dwellings as incremental housing. The carpet area of houses being constructed under this component should be up to 90 sq. m. for MIG I category and up to 110 sq. m. for MIG II category. The beneficiary cannot construct a bigger house. If the carpet area is more than the prescribed limits, it deems the said property ineligible for the subsidy under this scheme.

8. Is it mandatory to fetch the Aadhar card details for all members of the beneficiary family?

Yes. For processing the subsidy under PMAY CLSS for MIG I and MIG II schemes, it is mandatory to furnish the Aadhar card details of all family members. Also the name captured in FINNONE system the names as mentioned on the Aadhar card.

9. Where can I apply for Credit Linked Subsidy Scheme?

You can apply for housing loan under CLSS at any of ICICI Bank Branches.

10. Are there any additional eligibility norms apart from Income, First Pucca House and carpet area norms?

The property on which the subsidy is to be availed has to have basic amenities such as Water, Sanitation, Sewerage, Road, Electricity etc.

11. Do I have to give any additional documents to avail for this subsidy?

No, there is no additional documents except a self – declaration from the beneficiary family furnishing all the requisite details to determine eligibility under income, First Pucca house and Carpet area norms, and to fetch the family member details.

12. I have a small business. Can I avail home Loan under this scheme?

Yes, you can avail this facility, if you qualify for stated criteria as defined under scheme.

13. What is the maximum loan amount that can be availed to be eligible for PMAY?

There is no Limit to the maximum loan amount. However, the interest subsidy is applicable only on the first 9 Lakh of Loan Amount for MIG I and first 12 Lakh of the loan amount for MIG II

14. What is the subsidized interest rate per annum under PMAY scheme?

The interest subsidy is calculated on a subsidized interest rate of 4 percent for MIG I and 3 percent for MIG II on a per annum basis. So, for instance, if your loan ROI is 8.7%, then you will be subsidized/financed by the government for an amount which is equivalent to the "Net present value of the interest paid calculated on an ROI of 4%, tenure of 20 years and loan principal of 9 Lakhs under PMAY for MIG I."

15. As per National Housing Bank (NHB) Income Norms, what is the maximum income of an MIG I (MIDDLE INCOME GROUP I) household?

The MIG I (MIDDLE INCOME GROUP I) category is the one in which the Maximum annual family income does not exceed INR 12,00,000)

16. As per National Housing Bank (NHB) Income Norms, what is the maximum income of an MIG II (MIDDLE INCOME GROUP II) household?

The MIG II (MIDDLE INCOME GROUP II) category is the one in which the Maximum annual family income does not exceed INR 18,00,000)

17. What is the maximum number of members in the family to be eligible for Pradhan Mantri Awas Yojana (PMAY) Scheme?

There is no limit on the number of family members.

18. What is the minimum and maximum range of Subsidy that is possible under PMAY scheme for MIG?

The subsidy benefit varies as per allotted ROI, Tenure and Loan Amount. It ranges between INR 0 to 2.37 Lakh for MIG I and INR 0 to 2.3 Lakh for MIG II

19. What is the maximum possible annual income of the family to be eligible for Pradhan Mantri Awas Yojana (PMAY)?

The annual income of the family should not exceed INR 12,00,000 for MIG I households and INR 18,00,000 for MIG II Households.

20. When was the PMAY scheme launched by the government?

Pradhan Mantri Awas Yojana scheme for Middle Income Groups was launched by Government on 1st January 2017.

21. Mr. X is found to be eligible to receive a PMAY subsidy on his existing Home Loan of 20 L at the rate of 8.7% per annum and having a tenure of 20 years. The annual income of Mr. X's household is INR 16,40,000. The subsidy possible under MIG II is: INR 230,156. What would be the effect on the loan parameters once the subsidy is transferred?

For all the eligible customer the subsidy would be credited to the customers LOAN Account as a part payment and this would reduce the customers Outstanding Loan Amount. This further reduces the EMI.

22. What is the Finnone Scheme ID for PMAY CLSS for MIG I and MIG II?

The PMAY CLSS for MIG I and MIG II scheme cases have to be booked as a Separate Scheme with the scheme code 100796 (for I-MCLR1Y) OR 100797 (for I-MCLR6M).

23. What is the maximum loan amount and the maximum tenure on which the PMAY subsidy is applicable?

The Pradhan Mantri Awas Yojana Scheme for Middle Income Groups is applicable for a maximum considered tenure of 20 years. For all cases belonging to MIG I income category, a maximum loan amount of 9 Lakhs is considered for subsidy, whereas, for MIG II Income category, the maximum loan amount considered for Subsidy is 12 lakhs.

24. How many houses can a Customer or his family members own prior to applying for the Loan under PMAY scheme?

In order to be eligible for the Pradhan Mantri Awas Yojana Scheme, the residential property under consideration must be the first Pucca House for the entire dependent family of the beneficiary.

25. PMAY subsidy is applicable for what category of customer profiles?

Pradhan Mantri Awas Yojana is available for both; Salaried as well as Self Employed Professionals

26. Is there any additional document required over and above the standard set of documents to avail the PMAY Subsidy?

Apart from the standard set of documents, additionally there has to be a self-attested affidavit by the customer declaring his fulfillment of the stipulated Eligibility criteria of PMAY for MIG.

27. What is the nature of the Subsidy granted under Pradhan Mantri Awas Yojana scheme?

The subsidy granted under Pradhan Mantri Awas Yojana scheme is an Interest Subsidy meaning that the Interest portion of the Repayment of the Loan is subsidized.

28. Can I avail the PMAY subsidy effect as a reduction in Loan Tenure?

No. As per the guidelines, subsidy effect can be given only on EMI and no effect on loan tenure would be allowed.

29. As per the guidelines of PMAY for MIG, it is mentioned that an Adult earning individual can be treated as a separate household (irrespective of the marital status). Does this mean that a male earning member and his wife can both avail separate subsidies under this scheme?

No. As per the guidelines it is clearly mentioned that in case of a married couple, either of the spouses or both together in joint ownership will be eligible for a single house, subject to income eligibility of the household under the Scheme.

30. What is the processing fee to be collected from customers eligible PMAY CLSS for MIG I and MIG II?

For all cases processed under PMAY CLSS for MIG I, the processing fee has to be waived off for first 9 lakhs of the loan amount. PF to be collected at standard rates as applicable for Loan amount over and above 9 Lakh.

Also, for all cases processed under PMAY CLSS for MIG II, the processing fee has to be waived off for first 12 lakhs of the loan amount. PF to be collected at standard rates as applicable for Loan amount over and above 12 Lakhs.