

**Press Information Bureau
Government of India
Ministry of Housing and Urban Poverty Alleviation**

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**Carpet Area of Houses Eligible for Subsidy Under CLSS for Middle Income Group (MIG) Increased to 160 Sq.M
For MIG -I and 200 Sq.M for MIG-II**

Big Boost to Affordable Housing and Construction Sector Leading to Enhanced Economic Activity

In a major decision to boost Affordable housing, the Ministry of Housing & Urban Affairs, has approved the revision of the carpet area of houses eligible for interest subsidy under the Credit Linked Subsidy Scheme (CLSS) for the Middle-Income Group (MIG) under Pradhan Mantri Awas Yojana (Urban) in respect of MIG I from “up to 120 square metre” to be increased to “up to 160 square metre” and, in respect of MIG II from “up to 150 square metre” to “up to 200 square metre”.

Sn.No	Particulars	CLSS for MIG	
		MIG – I	MIG - II
1.	Household Income (Rs. p.a.)	From 6,00,001 up to 12,00,000	From 12,00,001 up to 18,00,000
2.	Interest Subsidy (% p.a.)	4.00%	3.00%
3.	Maximum Loan Tenure	20	20
4.	Eligible Housing Loan Amount for Interest for Interest Subsidy (Rs)	9,00,000/-*	12,00,000/-*
5.	Dwelling Unit Carpet Area (up to)**	160 sq.m.	200 sq.m.
6.	Discounted Rate for Net Present Value (NPV) calculation for interest subsidy	9.00%	9.00%
7.	Upfront Amount for Subsidy (Rs.)	2,35,068/-	2,30,156/-

CLSS – MIG Scheme Details post this Revision:

*Subsidy will be restricted to this loan amount and Loan quantum beyond this limit will be at non-subsidised rates.

**with effect from 01.01.2017 i.e from the date when the scheme became operational.

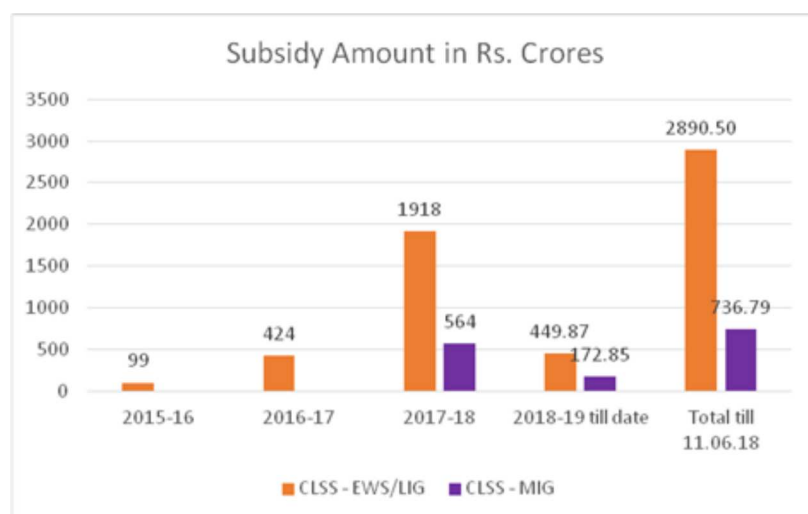
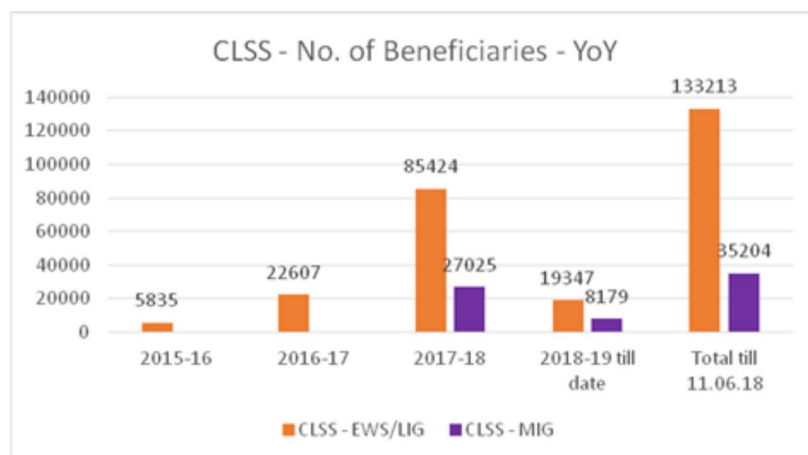
BENEFITS

- The decision is another big step to boost the construction sector that contributes to increased activity on the supply side. This initiative is expected to result in enhanced economic activity that would contribute to improvement in the demand side.
- These enhancements will now enable more MIG customers to qualify for subsidy and avail the benefits provided under the ambitious flagship Mission of Pradhan Mantri Awas Yojana (Urban).
- Apart from increasing the number of beneficiaries, the increase in carpet area will improve the construction activity and will assist in moving the housing sector forward.
- This also augurs well with the Reserve Bank of India policy to revise the housing loan limits for Priority Sector lending (PSL) eligibility where it has been decided to revise the housing loan limits for PSL eligibility from existing ₹28 lakh to ₹35 lakh in metropolitan centres (with population of ten lakh and above), and from existing ₹20 lakh to ₹25 lakh in other centres, provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed ₹45 lakh and ₹30 lakh, respectively.
- The increased construction activity in housing sector has a cascading effect on core sectors like cement, steel, machinery and other allied sectors. More construction activity in the urban areas would result in creation of more jobs for both skilled and unskilled workers.
- Overall this will be a big boost to the economy.

Pursuant to the address to the Nation on 31.12.2016 by Hon'ble Prime Minister, the scope of the CLSS had been expanded to MIG category with the approval of the Cabinet on 01.02.2017. The scheme approved, initially, for implementation for the year 2017 has been extended up to 31.03.2019. The CLSS for MIG scheme has gained momentum in the last couple of quarters and the offtake has picked up significantly. As on 11.06.2018, an amount of Rs.736.79 crore has been disbursed to 35,204 beneficiaries belonging to the MIG category.

CLSS Performance as on 11.06.2018:

<p>CLSS for EWS/LIG</p> <ul style="list-style-type: none"> • Beneficiaries • Subsidy released 	<ul style="list-style-type: none"> • 133,213 • Rs. 2890.50 crore
<p>CLSS for MIG</p> <ul style="list-style-type: none"> • Beneficiaries • Subsidy released 	<ul style="list-style-type: none"> • 35,204 • Rs. 736.79 crore



The MIG segment is an aspirational class which is upwardly mobile. The role of the hardworking citizens belonging to the MIG segment who play a significant role in the economy of the country has been acknowledged by the government time and again. The intent of the CLSS for MIG is to support the dream of every family in owning a house.

The decision to increase the carpet area for MIG section was done after inputs from various stakeholders. One of key issues was denial of CLSS benefit to potential beneficiaries, because they were buying flats/houses, constructing houses, where the carpet area exceeded the cap of either 120 square metre or 150 square metre, thus rendering them ineligible for the interest subsidy under MIG.

During workshops and review meetings by the Central Nodal Agencies (CNAs) - Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) - with the PLIs, there had been requests for increasing the carpet areas specified for the MIG I and MIG II categories.

RJ/SB