

Annexure -10.47.

SCHEME OF INTEREST SUBSIDY FOR HOUSING THE URBAN POOR (ISHUP)

Operational Guidelines:-

These operational guidelines have been framed within the overall framework of the ISHUP Guidelines issued by Government of India. It seeks to clarify operational steps required for identification and selection of beneficiaries for the Scheme. It does not include detailed steps for administration of the Subsidy; this shall be done as per the GOI guidelines.

1 Introduction:-

Government of India has launched an initiative for provision of housing for the Economically Weaker Sections (EWS) and Low Income Groups (LIG) through the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The Ministry of Housing and Urban Poverty Alleviation (MH&UPA), Government of India has designed an Interest Subsidy Scheme as an additional instrument for addressing the housing needs of the EWS/LIG segments in urban areas. The Scheme envisages the provision of interest subsidy to EWS and LIG segments to enable them to buy or construct houses.

Government of Kerala has appointed Kudumbashree, the State Poverty Eradication Mission as the Nodal Agency for facilitating the implementation of ISHUP Scheme in Kerala.

1.1 Purpose

The Scheme will provide home loan with Central Government subsidy to EWS/LIG persons for acquisition of house as also for construction of house to such beneficiary, who does not own a house in his/her name or in the name of his/her spouse or any dependent child. Such beneficiaries who own land in any urban area but do not have any pucca house in their name or in the name of their spouse or any dependent child will also be covered under the Scheme.

1.2 Definition of EWS and LIG

The economic parameter of EWS is defined as households having an average monthly income upto Rs.3,300 and the economic parameter of LIG is defined as households having an average monthly income between Rs.3,301 upto Rs.7,300. This will be subject to revision by the Steering Committee of the Scheme from time to time.

1.3 Eligibility Criteria

- The borrowers under the scheme must belong to the EWS or LIG as defined above
- They must have a plot of land for the construction or have identified a purchasable house
- Applicants planning to form cooperative group housing societies or organizations like Employees Welfare Housing, Labour Housing, etc. should be given preference and wherever possible construction of houses by such cooperatives by way of 1+3 storeyed buildings should be promoted so that cost of land is shared among beneficiaries. However, this is not a mandatory requirement. Both individuals as well as Group Housing borrowers are equally eligible under the scheme.

1.4 Loan amount admissible

The scheme will provide a subsidized loan for 15 – 20 years for a maximum amount of Rs.1,00,000 for an EWS individual for a house at least of 25 sq. mts. Additional loans, if needed would be at unsubsidized rates.

A maximum loan amount of Rs.1,60,000 for a LIG individual for a house at least of 40 sq.mts will be admissible. However, subsidy will be given for loan amount upto Rs.1 lakh only. Additional loans, if needed would be at unsubsidized rates.

Loan repayment periods will be permissible generally ranging from 15- 20 years.

1.5 Subsidy Support

The subsidy will be 5% p.a. on interest charged on the admissible loan amount for EWS and LIG, over the full period of the loan for construction or acquisition of a new house.

The Net Present Value (NPV) of this subsidy will be arrived at on the basis of notional discount rate of 9% p.a., (equivalent to Government Security rate) for the period of the loan and on the interest chargeable at the time the loan is contracted. The NPV of the subsidy will be given by the Government of India to the lenders through its nodal agencies on upfront and quarterly basis. It will be passed on by the lender to the borrower by deducting the subsidy amount from the principal loan amount of the borrower and charging interest on the net amount of loan at the agreed rate of interest.

2 Identification and Selection of beneficiaries:-

Kudumbashree, the State Nodal Agency will be responsible for selection of beneficiaries, through the Community Development Society (CDS) at the ULB level. Beneficiary identification and selection will be done as per the process detailed below.

2.1 Identification of beneficiaries

2.1.1 Members of Kudumbashree network

The Kudumbashree community organization network will be the first point for identification of beneficiaries for the Scheme. The ADS will compile details of eligible and interested beneficiaries from all NHGs at the ward-level and forward to the CDS. The CDS will compile the list for the entire ULB.

2.1.2 Non-members

The CDS will also provide opportunities for beneficiaries outside the Kudumbashree network to make an application to be part of the Scheme. Such applications will be verified by the ADS and based on the verification report of the ADS, such beneficiaries will be included in the final beneficiary list at the ULB level.

2.1.3 Beneficiaries of EMS Housing Scheme and MN One lakh Housing Renovation Scheme

Such beneficiaries of the EMS Housing Scheme and the MN One lakh housing renovation scheme who are interested in obtaining a loan to supplement the grant support from the Government may be provided opportunity to benefit from ISHUP. The ULB may forward the list of such interested beneficiaries to the CDS who will include them in the final beneficiary list at the ULB level.

2.2 Documentation for ISHUP Application

The following documents will be provided by the beneficiary, in support of the application for benefit under ISHUP:

1. Income Certificate issued by the appropriate authority
 - The Income Certificate issued by the Revenue authorities will be considered appropriate for consideration under ISHUP
2. Record of ownership of land on which the house is to be built
 - If the beneficiary possesses title deed to the land, a copy of the same as well as copy of latest tax receipt issued by the Village Office will be required
 - If the beneficiary does not possess title deed, any document that the State Government has notified to be sufficient proof of possession of land for application under schemes such as VAMBAY, IHSDP, BSUP and the EMS Housing Scheme will be required
 - If the beneficiary does not possess either of the above, and the CDS has verified that the person is truly eligible for benefit under ISHUP, the matter shall be taken up with the ULB/appropriate authority for getting the necessary documentation issued

Format of the Application form to be submitted by the beneficiary is given in **Annexure 1**.

2.3 Selection of beneficiaries

The CDS will compile the list of beneficiaries and finalize the same in the Executive Committee of the CDS. The final list will be presented before the Evaluation Committee of the CDS and approval obtained. The list will then be forwarded to the ULB level ISHUP Committee for consideration. The ULB Level Committee will decide on banks that are to take up the applications and issue necessary directions to the bank to process the application further.

2.3.1 ULB Level ISHUP Committee

A ULB Level ISHUP Committee shall be constituted with the following as members.

1. Chairperson of ULB (Chairperson)
2. ULB Secretary (Convenor)
3. Standing Committee Chairperson concerned
4. Kudumbashree DMC
5. CDS Chairperson
6. District Lead Bank Manager
7. Representatives of all banks/FIs in the ULB area participating in ISHUP
8. Member Secretary CDS

2.3.2 Roles and responsibilities of ULB Level ISHUP Committee

- Examine and approve beneficiary list submitted by CDS
- Identify banks and branches to take up the applications, process them and sanction loans to beneficiaries for each set submitted by the CDS
- Address issues that may come up with regard to documentation, eligibility issues raised by individual banks and complaints from beneficiaries

3 Support provided by CDS to beneficiaries:-

3.1 Help-desk

A help-desk mechanism will be created at each CDS to ensure that the beneficiaries obtain necessary support in a smooth manner. The Help-desk will provide the necessary support to beneficiaries in the following areas:

- Submission of ISHUP application to CDS
- Submission of loan application to banks
- Preparation of house design and estimate
- Technical guidance to ensure cost-effective construction
- Liaison with banks in case of disputes

The Help-desk will be organized in each CDS with the following persons.

- Convenor of CDS Sub-committee on Centrally Sponsored Schemes
- Representative of Municipal Engineering wing
- Accountant of the CDS

3.2 Expenses incurred by the CDS

The expenses incurred by the CDS in facilitating implementation of ISHUP shall be met, till any alternative arrangement is made, from the UCDN component of SJSRY. CDS should ensure that these are included in the annual SJSRY plan of the ULB.

4 Sanctioning of loan:-

Based on the decision at the District Level Committee, the concerned bank branch will scrutinize the applications compiled by the CDS. The branch will then liaise with the concerned CDS and beneficiaries to ensure that loan is sanctioned after completion of all loan processing procedures as per the norms of the bank.

4.1 Provision for collateral/guarantees

Mortgage of the dwelling unit may be accepted as primary security. However, there would be no collateral security/third party guarantee for loans up to and inclusive of Rs.1 lakh.

No levy of prepayment charges would be permitted.

4.2 Roles and responsibilities of participating banks/FI

- Follow up on loan processing and sanctioning of applications as decided at the District Level Committee meeting
- Sanction the loan after completion of procedures
- Bring to attention of CDS and/or ULB level Committee issues in implementation of the scheme

5 District level Monitoring:-

The participating banks will provide information to the District level Review Committee of Bankers (DLRC) on the progress of ISHUP, on a monthly basis. Inter alia, these reports will give detailed information on number of applications received from the ULB Level Committee, number of applications against which loans have been sanctioned, number of applications that have been rejected by the bank and reasons for such rejection.

The CDS will liaise with the banks to ensure that applications sanctioned by the ULB Level Committee are processed and necessary documentation completed by the concerned beneficiaries. The CDS shall, on a monthly basis, provide report to the DMC on number of applications received from the ULB Level Committee, number of applications against which loans have been sanctioned, number of applications that have been rejected by the bank and reasons for such rejection. Format for the CDS report to DMC is given in **Annexure 2**.

5.1 Coordination with HUDCO for release of subsidy

It shall be the responsibility of the participating banks to ensure the coordination with HUDCO to complete the procedures related to reporting and release of the Subsidy amounts.

6 State level Monitoring:-

The State Level ISHUP Monitoring Committee will be set up with Principal Secretary, LSG Department, Government of Kerala as Chairperson. Other members of the Committee shall be:

1. Director, Urban Affairs
2. Representative of HUDCO
3. Representative of NHB
4. Representative of RBI
5. Representative of SLBC
6. Representatives of banks/FI participating in ISHUP
7. Executive Director Kudumbashree (Convener)

6.1 Roles and responsibilities of State Level ISHP Monitoring Committee

- Provide oversight to ensure that the Scheme is implemented effectively
- Address issues that require actions at the Policy level

6.2 Coordination with HUDCO at the State level

Kudumbashree State Mission will coordinate with HUDCO to ensure smooth implementation of the Scheme.

7 Reporting:-

Kudumbashree State Mission shall monitor the progress of ISHUP on a monthly basis. The District Mission Team will compile monthly progress report based on inputs from the CDS. The State Mission will be responsible for regular reporting to GOI.

7.1 CDS Report to DMC

The CDS shall, on a monthly basis, provide detailed report on the progress of ISHUP in the ULB. Format for the CDS report to Kudumbashree District Mission is given in **Annexure 2**.

7.2 DMT Report to State Mission

The District Mission will compile the reports of all urban CDS in the district and forward the same to the State Mission. The format used by the CDS will be used for this reporting.

Annexure 1

SCHEME OF INTEREST SUBSIDY FOR HOUSING THE URBAN POOR (ISHUP)

Format for Application to be submitted by beneficiaries

The Chairperson
Community Development Society
_____ Municipality/Corporation

I plan to build a house and I am interested to avail of the benefit given under ISHUP. Please consider this application to include me in the list of beneficiaries for the Scheme. I have furnished the necessary details herewith.

1	Name of the applicant	
2	Name of husband/son/daughter	
3	Address: House Name/Number Street/Locality Post Office Town/City PINCode	
4	Name of ULB; Ward Number	
5	Whether member of NHG – Yes/No If yes, name of NHG	
6	Caste - ST/SC/Others	
7	Income Category – LIG/EWS/BPL/Others	
7a	Details of income certificate attached Issuing Authority Date of Issue Monthly Income (Rs.)	
8	Purpose of Loan - Build new house/Purchase existing house	
8a1	If for building house: - Details of land on which house is to be built Plot No/Survey No. Ward No. Area of plot	
8a2	In whose name is the land registered/held Relationship between land-holder and applicant	
8a3	Land Ownership document attached – Copy of title deed and tax paid certificate/Copy of ROR issued by Revenue department/Copy of authorization from ULB/Other (Specify)	

8b1	If for purchase of house: - Details of house to be purchased Plot No/Survey No. Ward No. Area of house Name and address of current owner	
8b2	Details of proof of ownership of house to be bought attached – copy of title deed, tax receipt and photograph of house	
9	Whether assistance is being obtained from any other scheme for building the house – EMS Housing Scheme/MN One lakh Housing Renovation Scheme/Other (Specify)	
9a	Details of document attached regarding assistance from other schemes	
10	Amount of loan required	

Undertaking by Applicant

I hereby undertake that all information furnished are true.

Name and Signature of applicant

Date:

Name and Signature of Husband/Son/Daughter

Place

Certificate by NHG (in case of members)/ ADS (in case of non-members)

The applicant is a member of our NHG; we certify that the information provided in this application is genuine and true to the best of our knowledge.

Name and Signature of President of NHG/ADS

(Affix NHG/ADS Stamp)

Name and Signature of Secretary of NHG/ADS

Date:

Forwarded by CDS (directly by CDS for beneficiaries under EMS/MN schemes)

The application for assistance under ISHUP may be considered. We have verified the information provided and found it to be true.

Name and Signature of Chairperson of CDS

(Affix CDS Stamp)

Name and Signature of Member Secretary of CDS

Date

Decision of the ULB Level ISHUP Committee

The application has been found eligible for assistance under ISHUP. At the meeting on _____ (date), the Committee has recommended the application to _____ (name of Bank) for processing of loan application.

Convenor, ISHUP Committee

Date:

Annexure 2

Format for reporting by CDS

The District Mission Coordinator
Kudumbashree, _____ district

ISHUP Progress Report for the Month of _____, 20__

1	Name of CDS	
2	Date of start of ISHUP	

3. Details of new applications

Received till last month	Received during the month	Total received so far

4. Details of ISHUP Committee Meetings

Number of meetings held during the month: _____

4a. Details of applications considered by the Committee

Applications pending from previous month	
Applications made during the month	
Total number of application considered during the month	
Number of Applications approved	
Number of Applications rejected	

4b.	Reasons for rejection of application (if any)	
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5. Details of loans sanctioned by banks

	Till last month	During the month
Number of applications forwarded to Banks/FI		
Number of loans sanctioned by Banks/FI		
Number of applications rejected by Banks/FI		
Number of applications pending with Banks/FI		

5b	Reasons for rejection of application by Banks/FI (if any)	
5c	Steps taken by CDS to ensure timely/proper sanctioning by Banks/FI	

6. Details of progress of construction of houses

Number of beneficiaries given loans for house construction	
Number of beneficiaries who have started construction of houses	
Number of beneficiaries who have completed construction of houses	
Steps taken by CDS to ensure proper progress of construction of houses	

7. Details of loan repayment by beneficiaries

Total loans sanctioned under ISHUP	
Number of loans where repayment has started	
Number of beneficiaries who are repaying regularly	
Number of loans that Banks/FI have marked as NPA	
Steps taken by CDS to ensure proper repayment of loans	

Signature
Chairperson, CDS

Member Secretary, CDS

Date: