

The Hindu 02.11.2009

TNHB to implement housing scheme

S.Ganesan

For economically weaker sections and low income groups

The beneficiaries will be provided loans with interest subsidy

It will be given for construction or purchase of new houses

TIRUCHI: The Tamil Nadu Housing Board (TNHB) has been appointed the nodal agency for the implementation of the centrally-sponsored new housing scheme for the urban poor with interest subsidy.

Under the scheme, people belonging to economically weaker sections (EWS), with a monthly income of up to Rs.3,300, and low income groups (LIG) with a monthly income between Rs.3,301 and Rs.7,300, would be extended loans with interest subsidy for construction or purchase of new houses. The Tiruchi division of the TNHB, which would implement the scheme in Tiruchi, Karur, Perambalur and Pudukottai districts, has already started collecting applications

from prospective beneficiaries. The beneficiaries should have a plot for construction of house or identify a new house for purchase.

For those under the EWS category, a loan of up to Rs.1 lakh would be extended for constructing a house with a minimum area of 25 square metres. For LIG segment, the maximum loan would be Rs.1.60 lakh for building a house with a minimum area of 40 square metres. However, the interest subsidy for LIG segment would be provided only for a loan amount of Rs.1 lakh. The term of the loan would be 15-20 years. A five per cent subsidy would be extended on the interest payable on the loans for a year.

The National Housing Bank (NHB) and the Housing and Urban Development Corporation Ltd (HUDCO) would lend to the borrowers through banks or housing finance companies which agree to be part of the scheme as lenders. The interest subsidy would be paid to the bankers upfront and they would have to deduct the subsidy amount from the loan amount from the beginning itself. This way, there would be substantial financial benefit for the beneficiaries, sources in the TNHB told *The Hindu*. No financial or physical limit has been fixed for the beneficiaries under the scheme, the sources added.

The sources also indicated that the TNHB would encourage groups of beneficiaries to avail the scheme so that the assistance extended by the Centre under the Affordable Housing programme for the urban poor, wherein assistance was given for creating the necessary infrastructure in such group housing localities, could also be availed.