



ABSTRACT

Housing – Interest Subsidy Scheme for Housing the Urban Poor – Grant of Concessions to beneficiaries under the scheme – Order issued.

Housing & Urban Development (HB 4(1)) Department

G.O.(Ms).No.200

Dated:15.09.2010

Read:-

1. G.O.MS.No.66, Housing and Urban Development Department dated 15.5.09.
2. G.O.MS.No.148, Housing and Urban Development Department dated 02.07.10.
3. From the Managing Director, Tamil Nadu Housing Board Letter No.JV/13313/09 dated 14.6.2010.
4. From the Director of Municipal Administration Letter No.Roc.No.32898/09HSDPI dated 19.6.10 and 12.7.2010.
5. From the Director of Town Panchayats letter Roc. No.13345/2009/B2 dated 13.7.2010.
6. From the Managing Director, Tamil Nadu Housing Board letter No.JV/13313/09 dated 19.7.2010.
7. From the Member Secretary, Chennai Metropolitan Development Authority letter No.A4/11086/2010 dated 30.7.2010.
8. From the Inspector General of Registration Letter No.36948 C2/2010 dated 30.7.2010.
9. From the Commissioner Corporation of Chennai, Letter WDC/TP1/1846/2010 dated 6.8.2010.

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ORDER:

The Ministry of Housing the Urban poverty Alleviation, Government of India has formulated an Interest Subsidy Scheme for Housing the Urban Poor meant to ameliorate the living conditions of the Economically Weaker Section / LIG segment in urban areas. The scheme envisages the provision of 5% interest subsidy for availing loan to Economically Weaker Section / Low Income Group segments to enable them to buy (or) construct houses.

2. In the G.O. first read above, the Tamil Nadu Housing Board has been appointed as the nodal agency for implementation of the scheme in the state. In the Government order second read above, the Tamil Nadu Slum Clearance Board has been appointed as the Additional Nodal agency for implementation of ISHUP. But, sanction of loan is yet to commence since the Bankers are insisting on submission of building plan approved by the local body and estimate of the house along with the loan application. Regarding plan approval by local body, it is informed that it involves payment to licensed surveyor for preparation of plan and estimate and planning permission charges payable to the concerned local body. As, the scheme targets the

poor in the urban areas and most of whom are uneducated and unaware about the procedures involved in getting plan approval from local body. In addition to this, payments have to be made towards plan approval which puts additional burden upon the beneficiaries and the amount to be paid to the local bodies towards building licence fee, vacant land tax, sewage connection and water connection deposits etc. ultimately equals the quantum of interest subsidy available under the scheme.

3. The Managing Director, Tamil Nadu Housing Board has requested the Government to grant following exemptions to implement the Interest Subsidy Scheme for Housing the Urban Poor in Tamil Nadu:-

- i) Local bodies may be requested to exempt the applicants under the Interest Subsidy Scheme for Housing the Urban Poor scheme from payment of building licence fee, development charges, vacant land tax and deposit amount towards sewage and drinking water connection charges.
- ii) Since the Tamil Nadu Housing Board has qualified engineers who are executing large number of housing projects across the state, the building plan and estimate submitted by them to the local bodies in respect of beneficiaries under Interest Subsidy Scheme for Housing the Urban Poor may be accepted for according Planning Permission without insisting upon plan and estimate from the licensed surveyors.
- iii) To accord exemption from payment of stamp duty by the beneficiaries of Interest Subsidy Scheme for Housing the Urban Poor as exemption has already been given to the self help groups in Tamil Nadu.
- iv) To extend the benefits issued in G.O.Ms.No.532 Revenue Department dated 29.11.2001 to the applications under Interest Subsidy Scheme for Housing the Urban Poor (ISHUP).
- v) To include eligibility for lands in the rural areas which are covered under Local Planning Area for availing loan under Interest Subsidy Scheme for Housing the Urban Poor (ISHUP).
- vi) The Department of Registration may be requested to permit execution of mortgage deeds at least at all Taluk Level Sub-Registrar Offices.

4. The main aim of the scheme (ISHUP) is to construct / purchase of house (Atleast 25 sq.m) by the urban poor in order to ensure slum free cities in India and to provide houses with basic amenities to the urban poor with affordable rates to keep the environment within the urban local bodies more hygienic and sanitized. The Ministry of Housing and Urban poverty Alleviation, Government of India has formulated an Interest Subsidy scheme meant to ameliorate the living conditions of the Economically Weaker Section / LIG segments in urban areas and the above scheme has got its life span only upto 2012 (2007-2012).

5. The Government have examined the proposals of the Managing Director, Tamil Nadu Housing Board carefully in consultation with various Department and issue following orders:-

- (i) Urban poor living within the limits of Urban Local Bodies like Corporations, Municipalities, Town Panchayats, Areas falling within the Chennai Metropolitan Development Authority (CMDA) or any Local Planning Authorities or New Town

Development Authorities, those who construct house atleast 25 sq.m will be eligible to apply under "Interest Subsidy Scheme for Housing the Urban Poor" (ISHUP) scheme. Tamil Nadu Housing Board (TNHB) is the nodal agency and Tamil Nadu Slum Clearance Board (TNSCB) is the additional Nodal Agency to identify, motivate and organize the beneficiaries to seek loan for constructing or buying the houses. Nodal Agencies (TNHB and TNSCB) shall collect the applications from the beneficiaries and forward the same to the respective banks for sanction of loans.

- (ii) These Nodal Agencies (TNHB and TNSCB) have qualified engineers who are executing large number of housing projects across the state. These agencies shall prepare typical type design or designs duly countersigned by the departmental Engineers. They will duly approve the type design which will be enclosed with the applications. It will be taken as a planning permission for the purpose of issuance of loans by the bankers. There shall be no further need for any planning permission or building licence from any other Local Authorities. Building estimates will be prepared and countersigned by the respective departmental engineers of the nodal agencies for such design. This building plan and estimates duly approved by the engineers of the Nodal Agencies will be taken as building Planning estimates for the purpose of this scheme and for the purpose of sanctioning of loans by the bankers. There shall not be any need to get plan & estimates prepared by licensed surveyor for the above scheme.
- (iii) Under the Housing schemes like BSUP / IHSDP under JNNURM and IAY, building licence fees, development charges, vacant land tax and deposit amount towards sewerage and drinking water connection etc. are not collected by the beneficiaries. On the same analogy, beneficiaries under ISHUP scheme may be exempted from the payment of development charges for issue of planning permission, building license fee, scrutiny fee, vacant land tax, sewerage tax, deposit amount towards sewage and drinking water connection, Labour Welfare Fund or any other related fee or taxes. All the ISHUP beneficiaries shall be exempted from payment of any of such charges.
- (iv) There shall be stamp duty exemption on the mortgage deed to be executed by the beneficiary in favour of bank for obtaining loan under the ISHUP scheme. There shall also be exemption of stamp duty or any registration fee on various other documents like loan agreements, memorandum of deposit of title deed or any other documents to be executed between the beneficiary and the banks to avail loan under ISHUP scheme.
- (v) In G.O.Ms.No.532, Revenue Department dated 29.11.2001 it has been ordered that the condition imposed in the house site pattas to the effect that the beneficiaries to mortgage them be relaxed to avail credit from the nationalized Banks under credit cum subsidy schemes like IAY and PMGY. The above concession will also be extended to the beneficiaries of ISHUP. Accordingly the condition imposed in house site pattas to the effect that the beneficiaries not to mortgage them, shall stand relaxed and House site pattas issued by the Government can be mortgaged to the bank for availing the loan from the Banks under ISHUP scheme.
- (vi) Since most of the house site pattas in the urban areas will be covered under the free house site scheme of the Government the banks may exempt fees for obtaining the legal opinion on the title deeds etc. of the house site pattas and

other relevant land documents on title deeds. Banks may also exempt the bank processing fee or inspection fee for the applications received under the ISHUP Scheme.

6. This order issues with the concurrence of Finance Department vide its U.O.No.211/JS(KK)2010 dated 15.09.2010.

(By Order of the Governor)

Ashok Dongre,
Secretary to Government.

To

The Principal Secretary to Government,
Municipal Administration and Water Supply / Finance / Revenue / Commercial Tax
and Registration / Rural Development and Panchayat Raj Department, Secretariat,
Chennai-9.

The Managing Director,
Tamil Nadu Housing Board,
Chennai-35.

The Member Secretary,
Chennai Metropolitan Development Authority,
Chennai-7.

The Managing Director,
Tamil Nadu Slum Clearance Board,
Chennai-5.

The Director of Municipal Administration, Chennai-5.

The Director of Town and Country Planning, Chennai-2.

The Director of Town Panchayat, Chennai-108.

The Commissioner Corporation of Madras, Chennai.

The Inspector General of Registration, Chennai-5.

The Commissioners Corporation of Madurai / Salem / Coimbatore / Tiruchi /
Tirunelveli / Tiruppur / Thoothukudi / Vellore / Erode.

The Special Personal Assistant to Minister (Rev.&Hg.)/ Minister (Commercial Tax
and Registration) /Deputy Chief Minister / Minister (Finance), Secretariat, Chennai-9.

The Chief Minister's Office, Secretariat, Chennai-9.

Copy to:-

All Collectors of Tamil Nadu.

The Joint Secretary (Hg), Ministry of Housing and Poverty Alleviation,
Government of India, New Delhi.

SF/SC.

/Forwarded // By Order/

H. Suresh
15/9/2010
Section Officer.
8/
16/9/10