



Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) - Appointment of Tamil Nadu Housing Board as nodal agency to implement the ISHUP - Orders issued.

HOUSING & URBAN DEVELOPMENT (HBIV) DEPARTMENT

G.O.(Ms) No.66

Dated:15.05.2009

Read:

From the Secretary, Government of India, Ministry of Housing & Urban Poverty Alleviation, New Delhi-110 108, D.O. Letter No.I-14014/1/2005-Housing(Pt.), dated 31.03.2009.

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**ORDER :**

In the reference read above, it has been reported that the Government of India, Ministry of Housing & Urban Poverty Alleviation, has approved new schemes to expand and supplement the JNNURM effort for housing which includes Interest Subsidy Scheme as an additional instrument for addressing the housing needs of the Economically weaker sections/ LIG segments in urban areas. The scheme envisages the provision of Interest Subsidy to Economically weaker sections and LIG segments to enable them to buy or construct houses.

2. The salient features on the ISHUP are as follows:-

- Economically Weaker Section and LIG beneficiaries who are having average monthly income up to Rs.3,300/- and between Rs.3,301/- to Rs.7,300/- respectively are eligible. The borrowers must have a plot of land for the construction or have identified purchase new houses.
- The scheme will provide a subsidized loan for a period of 15-20 years for a maximum amount of Rs.1,00,000/- for an Economically Weaker Section individual for a house of at least 25 sqmts. For LIG individual, a maximum loan amount of Rs.1,60,000/- for a house at least of 40 sqmts will be admissible. However, in this instance the subsidy will be provided for loan amount upto Rs.1.00 lakh only. Additional loans, if needed would be at unsubsidized rates.
- The subsidy will be 5% per annum on interest charged on the admissible loan amount over the full period of loan.

- The Nodal agencies for the scheme will be National Housing Bank (NHB) and Housing and Urban Development corporation Ltd., (HUDCO) the nodal agencies will not lend directly to the borrower but through banks or Housing Finance Companies (HFCs) who agree to be part of the scheme as the lenders.
- The borrowers would approach the State Governments/ State Housing Boards/ HFCs/Urban Local Bodies (ULBs) . The loan application can be made directly or through the ULB or the local agency identified by the State for the purpose which will ensure that it is complete with the necessary certification. The borrowers would also be free to approach and negotiate loan under the scheme directly with the lender.
- The State Government / ULB will identify a local level nodal agency to identify, motivate and organize beneficiaries to seek loans for building or buying houses.

The Secretary, Government of India Ministry of Housing and Urban Poverty Alleviation has requested this state Government to nominate a Nodal Agency to identify, motivate and organise beneficiaries to seek loan for construction of houses or buying houses under the Interest Subsidy Scheme for Housing the Urban Poor.

3. The Government, after careful examination, appoint Tamil Nadu Housing Board as Nodal Agency to implement the Interest Subsidy Scheme for Housing the Urban poor of Government of India in Tamil Nadu.

(By order of the Governor)

Surjit K Chaudhary,  
Principal Secretary to Government.

To  
The Managing Director, TNHB, Chennai-35.  
The Secretary, M(HUPA), Nirman Bhavan, New Delhi-110108.  
The Secretary to Govt., Finance Department, Chennai-9.  
The Secretary to Govt., MAWS Department, Chennai-9.  
The Secretary to Govt., PD & SI Department, Chennai-9.

Copy to:-  
The Finance Department, Chennai -9.  
The MAWS Department, Chennai -9.  
The PD & SI Department, Chennai -9.  
The Managing Director, TNSCB, Chennai-5.  
The Chairman and Managing Director, TUFIDCO, Chennai -5.  
SF/SC.

// Forwarded by order //

V. Meevala  
18/5/09  
Section Officer.