

More than 30% of all loans below Rs 10 lakh in 2015-16: National Housing Bank: The Economic Times

More than 30 per cent of the home loans disbursed by banks and housing finance companies in 2015-16 were under Rs 10 lakh, indicating a growing interest in housing for economically weaker sections and lower income groups, said National Housing Bank (NHB) managing director Sriram Kalyanaraman.

"This is in sync with the government's 'housing for all 2022' initiative," Kalyanaraman said. The supply of low income housing is growing as the government has offered several incentives in the recent budget as well, he said.

In 2015-16, housing finance companies and banks disbursed loans to individuals to buy a total of 1,60,4000 units. The incentives for individuals buying a low income house include the credit linked subsidy scheme under the Pradhan Mantri Awas Yojana.

Households categorised as those belonging to economically weaker sections, with a total income of up to Rs 3 lakh, and lower income group households, with a total income of up to Rs 6 lakh, will get subsidy at 6.5% interest rate for a loan amount of Rs 6 lakh for a maximum of 15 years. NHB, the central nodal agency for implementation of the scheme for urban areas, had released a subsidy of Rs 119 crore till June 2016 that has benefited 7,062 individuals.