

HDFC Disburses Subsidy to over 2,00,000 First-time Homebuyers under PMAY – Credit Linked Subsidy Scheme

Approves home loans of over ₹ 47000 Cr and disburses subsidy of over Rs 4700 Cr to 2,00,000 homebuyers

Mumbai, September 6, 2020: HDFC Ltd, India’s premier housing finance company has disbursed subsidy to over 2,00,000 homebuyers under the Pradhan Mantri Awas Yojana (PMAY) Credit Linked Subsidy Scheme (CLSS) becoming the first lender to do so. This is the flagship housing scheme of the government.

The Corporation has approved **over ₹ 47000 crore** of home loans under CLSS to homebuyers belonging to the Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Groups (MIG). Subsidy under PMAY amounting to over **₹ 4700 crore** has been passed on to these 200000 homebuyers, ***becoming the only financial institution in the country to achieve this feat.***

The Corporation has been partnering and supporting the Ministry of Housing & Urban Affairs and the National Housing Bank to work towards the government’s goal of ‘Affordable Housing for All’.

Ms Renu Sud Karnad, Managing Director, HDFC Ltd said, “The government’s PMAY scheme has been successfully assisting homebuyers belonging to different income groups since 2015. The scheme is in line with our overall philosophy that every Indian must have a home of their own. We thank the Ministry of Housing and Urban Affairs and the National Housing Bank for their commitment and for being receptive to inputs and suggestions from various stakeholders. This proactive approach has enabled effective and seamless implementation of the scheme.

Due to the Covid-19 crisis, a number of sectors including the real estate sector have been affected. Having said that we feel that the demand for housing will pick up gradually as the Economy emerges out of this difficult period and confidence in the economy is restored. One must not forget that structural demand for housing for India will always be strong due to factors such as improved affordability, government’s thrust on affordable housing, favourable demographics, increasing urbanisation and rising aspirations. Affordability was never better given the huge concessions under PMAY, tax benefits on Home loans, lowest ever interest rates and property prices having seen both price and time correction. Also with the increase in the trend for working from home, the demand for homes will only rise going forward.”

HDFC has been amongst the top performing institutions under CLSS. In July 2018, the Honourable Prime Minister Shri. Narendra Modi recognised HDFC for being the best performing primary lending institution in the EWS and LIG segment and the second best in the MIG

segment of the CLSS. In March 2019, HDFC was awarded the 'Best Private Sector Financial Institution' for PMAY-CLSS at PMAY- Affordable Housing Awards, 2019.

The Corporation has been making efforts to educate customers on the benefits of CLSS by conducting seminars, presentations and counseling sessions. The Corporation has also engaged extensively with developers and channel partners so as to reach out to more eligible beneficiaries.

Credit Linked Subsidy Scheme:

The Credit Linked Subsidy Scheme (CLSS) was introduced in June 2015 under the Pradhan Mantri Awas Yojana (PMAY) for home loans to customers from the Economically Weaker Section (EWS), Low Income Group (LIG) and was extended to the Middle Income Groups (MIG) from January 2017. As per the scheme, borrowers are eligible for interest subsidy of 6.5% pa for loans up to ₹ 6,00,000 for EWS and LIG category (annual household income up to ₹ 6,00,000), interest subsidy of 4% for loan up to ₹ 9,00,000 for MIG 1 category (annual household income between ₹ 6,00,001 and ₹ 12,00,000) and interest subsidy of 3% for loans up to ₹ 12,00,000 for MIG 2 category (annual household income between ₹ 12,00,001 & ₹ 18,00,000) for a maximum tenure of 20 years. The effective subsidy to customer is in the range of ₹ 2.30 - 2.67 lakhs on a 20 year term, receivable upfront. The schemes for MIG categories have been extended till March 31, 2021 and schemes for EWS/LIG are valid up to March 31, 2022.

About HDFC Ltd

HDFC Ltd. is India's leading mortgage lender and a well - established financial conglomerate. It has assisted over 78 lakhs customers in acquiring their own home over the last 4 decades. With a wide network of 584, it caters to several towns and cities across India. HDFC Ltd has offices in London, Dubai and Singapore and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi and Saudi Arabia – Al Khobar, Jeddah and Riyadh to assist non-resident Indians and PIO's. For more information, please visit www.hdfc.com

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