

Sub:- **Social Housing Reduction of Interest rates- regarding.**

As you are aware, HUDCO has been always in the forefront in promoting housing with a particular focus on the weaker sections of the society. It is reflected in the fact that over 90% of the housing units supported by HUDCO pertain to the Economically Weaker Section (EWS) and Low Income Groups (LIG). In line with the current focus of the Government towards addressing the shelter requirements of the weaker sections and also the crucial role the housing sector plays in Nation Building HUDCO Board in its Meeting held on 24th August, 2009, has decided to extend loan assistance for social housing categories at substantially lower rates as compared to the present as indicated below:

Social Housing

Category	Existing rate of interest (Floating)	Newly approved rate of interest (Floating)	Reduction in Interest rate.
EWS Housing for Windows, SC/ST/OBCs physically handicapped. Single woman above 35 years of age and natural calamities affected areas.	8.50%	7.0%	1.50%
EWS – all other schemes benefiting EWS families and Action Plan schemes.	8.75%	7.25%	1.50%
LIG Housing Projects by all borrowers	9.00%	7.50%	1.50%

1. I would like to specially highlight that the above lending rates are lesser than the borrowing cost of HUDCO and in addition HUDCO is not recovering its administrative cost or having any spread or any margin for NPA cost.

2. Achieving the objective of shelter for all would only possible with the involvement of all the stake holders in the shelter delivery process. Accordingly, towards promoting affordable housing through private developers builders and as part of the Affordable Housing in Partnership scheme, HUDCO would extend loans for up to Rs. 15 lakh as under:-

Cost of the dwelling unit	Existing Rate of Interest (Floating)	New Rate of Interest (Floating)	Reduction in Interest rate
Up to Rs. 2.50 lakh	13.50%	9.5%	4.00%
Up to Rs. 5.0 lakh	13.50 %	10.50%	3.00%
Up to Rs. 10.00 lakh	13.50 %	11.50%	2.00 %
Up to Rs. 15.00 lakh	13.50%	12.00 %	1.50 %

3. In its efforts towards improving the access of HUDCO loan assistance to the socially disadvantaged sections of the society, HUDCO has also effected reduction in the interest rates under HUDCO Niwas for individual beneficiaries with addition reduction for Women beneficiaries and all beneficiaries belonging to SC/ST. The details are as under:-

Category	Existing Interest rate (Fixed rate)	Reduced Interest rate (Fixed rate)	Reduction in interest rate.
Loan against residential premises.	13.75%	13.50%	0.25%
For Women beneficiaries and all beneficiaries belonging to SC/ST	13.75% (there was no separate category)	12.75%	1.00%
Cases where in the property is in the joint name and woman's name is first and man's name is subsequent.	13.75% (there was no separate category)	12.75%	1.00%

Cases where in the property is in the joint name and man's name is first and woman's name is subsequent.	13.75% (there was no separate category)	13.00%	0.75%
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4. In the light of the above, I would request that the State Government may like to avail the concessional loan assistance by taking up social housing programmes for weaker section covering EWS and LIG categories on a large scale and also under the other categories at the highly affordable rates indicated above.

I would like to once again reiterate HUDCO's continued commitment for facilitating affordable shelter for all and assure that HUDCO would stand by your efforts in this regard. I have asked HUDCO Regional Chief to personally meet you and brief on the above as well.

Yours Sincerely,
(K.L. Dhingra)