



Ministry of Housing and Urban Affairs  
Government of India

# Pradhan Mantri Awas Yojana - Urban



प्रधानमंत्री आवास योजना - शहरी  
Pradhan Mantri Awas Yojana - Urban **2.0**



**Draft Concept Note**  
**Pradhan Mantri Awas Yojana-Urban**  
**PMAY(U) 2.0**

## **1. Background:**

- 1.1. Pradhan Mantri Awas Yojana - Urban (PMAY-U) scheme was launched on 25<sup>th</sup> June 2015 by the Hon'ble Prime Minister to provide all weather pucca houses to all eligible urban households across the Nation with the vision of 'Housing for All'.
- 1.2. The scheme has been implemented by Ministry of Housing and Urban Affairs (MoHUA) through four verticals viz. Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), In-Situ Slum Redevelopment (ISSR) and Credit Linked Subsidy Scheme (CLSS) for Economically Weaker Section (EWS)/Lower Income Group (LIG) and Middle Income Group(MIG), providing beneficiaries with the options to opt for any one vertical as per their preference. The first three verticals were administered as Centrally Sponsored Scheme with a Central Assistance of ₹1 lakh for ISSR and ₹1.5 lakh for AHP/BLC components and CLSS was implemented as Central Sector Scheme with a Central Assistance through loan subsidy on housing loan upto ₹2.67 lakh per house.
- 1.3. Under PMAY-U, flexibility has been provided to States/Union Territories (UTs) to formulate, appraise, approve and submit the Detailed Project Reports (DPRs) for consideration & approval of Central Sanctioning and Monitoring Committee (CSMC).
- 1.4. Over the years, PMAY-U has witnessed tremendous success. Approximately 1.18 crore houses have been sanctioned against the validated demand of 1.12 crore under four different verticals of the scheme. So far, more than 1.14 crore houses have been grounded and over 83 lakh houses completed and delivered to beneficiaries. The total outlay of the Mission amounts to ₹8,07,363 crore, including Government of India (GoI) share of ₹1,99,653 crore, out of which ₹1,63,926 crore had already been released to the States/UTs, spurring the overall economy.
- 1.5. PMAY-U achieved desired results in providing affordable houses to EWS/LIG and eligible beneficiaries of the MIG segment. It provided all eligible urban households with all-weather pucca house with basic facilities of kitchen, toilet, electricity and water connection. The Scheme had substantially enhanced the quality of living of urban poor by providing them affordable housing with basic civic amenities and social infrastructure. It further transformed lives of millions of beneficiaries with access to dignified living, health, education, social security.
- 1.6. The scheme has significantly promoted the construction of affordable housing units, which has particularly served the EWS segment of society. Essentially, the scheme did not differentiate between beneficiaries based on caste, creed, religion or gender and provided equal opportunities to all, with a view to promote equality between male, female and transgenders. Under PMAY-U, due preference has been given to female members of the household as joint owners, encouraging women empowerment.
- 1.7. The implementation of PMAY-U has been closely monitored through a robust Management Information System (MIS) at Centre, State/UT and Urban Local Body (ULB) level. All the necessary modifications and amendments are allowed to be done by implementing agencies at ground level with approval of appropriate authority at the State/UT. Innovative features such as multi-stage Geo-tagging

of houses using space technology, integration with BHUVAN Portal and BHARAT MAP for monitoring the progress of projects and Aadhaar-based validation of beneficiaries is done for deduplication.

- 1.8. The scheme through its Technology Sub-Mission (TSM) encouraged the use of resource efficient, climate responsive, disaster resilient, eco-friendly and sustainable building materials, construction technologies and processes to fast track the construction and, thereby ensuring timely delivery of quality houses. Concerted efforts were made to mainstream the use of modern, innovative and green building material and technologies for faster and quality construction of more than 15 lakh houses under PMAY-U. Six Light House Projects (LHPs) and Fourteen Demonstration Housing Projects (DHPs) have been constructed across the country to showcase the field level implementation of these innovative construction systems. The scheme encouraged Climate Mitigation/Adaptation strategies with better planning, judicious selection of materials and technologies for energy efficiency in construction and contributed towards reduction of GHG emissions.
- 1.9. Due to the reverse migration caused by COVID-19, MoHUA also launched Affordable Rental Housing Complexes (ARHCs), a sub-scheme under PMAY-U to provide rental houses through affordable rents to urban migrants/poor to stop the migration from cities to rural areas.
- 1.10. Through the implementation of PMAY-U, MoHUA aimed to address the Goal-11 of Sustainable Development Goals (SDGs) that makes cities and human settlements inclusive, safe, resilient and sustainable through access to adequate affordable housing with basic services including upgrading slums which have impact on SDGs 1,5,6 and 13, pertaining to no poverty, gender equality, clean water and sanitation and climate action.

## **2. Rationale:**

**2.1.** The country is witnessing rapid urbanization where urban population is expected to reach more than **600 million by 2030 and 800 million by 2050**, as per High Power Expert Committee (HPEC) Report in the year 2011. The rapid growth of urban population tends to exponentially **induce the demand for housing** and basic services in urban areas. Therefore, it is pertinent to adopt an integrated and inclusive approach to provide affordable housing for a conducive and productive environment with better living conditions to every household in Urban India. After food and clothing, providing housing and a means for dignified living has been a critical need and is presently one of Urban India's most pressing issue.

**2.2.** In the year 2012, the Technical Group on Urban Housing Shortage (TG-12) estimated housing shortage of 18.78 million from 2012 to 2017. Over the years, due to rapid urbanization the need for housing became prevalent, proportionate to urban growth. During implementation of PMAY-U, a housing demand of 11.8 million has been addressed. Housing demand is dynamic in nature and a continuous phenomenon and with the formation of new cities/towns, a new housing demand are being generated. It is also observed that more houseless families could not avail benefits of the previous schemes. Therefore, considering the current and forecasting housing demand accruing from continuous urbanization, there is a strong justification for undertaking a comprehensive programmatic approach towards enhancing access to affordable housing in urban India.

**2.3.** Moreover, due to growing economic opportunities in the urban centers, people are continuously moving from smaller towns and villages to the urban centers. As per Census 2011, about 45 crore people have migrated to different parts of the country for better employment opportunities. They look for affordable accommodation to save on expenses. In order to maximize savings, they often compromise with living conditions and usually live in slums, informal/unauthorized colonies or peri-urban areas to save on high rental charges. To address such prevailing conditions, creation of affordable housing stock is necessary to ensure dignified living for these needy people of EWS/LIG segments.

**2.4.** It may be noted that Hon'ble Prime Minister on the 77<sup>th</sup> Independence Day, announced that Government of India will come up with a new scheme for the coming years to provide benefit to weaker section and middle-class families in owning a house. Accordingly, to increase the affordability of EWS/LIG and MIG families, Government of India will create an eco-system by providing houses through either on ownership or rental basis to suit the housing preferences of Urban India.

**2.5.** There is diversity in housing demand across various income groups of the Country, which includes EWS, LIG and MIG segments. There has been an enhanced spectrum of first-time home buyers, including millennials (single person households) who would also be beneficiaries of the scheme. Further, due to sustained economic growth, EWS & LIG are graduating to MIG class very fast. Therefore, it is pertinent to support this segment to fulfil their dream of owning a house and lead a dignified life.

**2.6.** PMAY-U 2.0 has potential to have multiplier effect for economic growth by providing fillip to the Real Estate which is a vital sector with strong forward and backward linkages, particularly with the core sectors of the economy such as steel, cement, other building materials and allied industries. The increased demand of housing and consequent enhanced investment in affordable housing would further boost the sector, leading to churning the economy and contributing towards achieving GDP goal of \$5 trillion economy of the country in the coming years.

### **3. Aims and Objectives:**

The aims and objectives of PMAY-U 2.0 are as follows:

- i. Achieve the vision of 'Housing for All' by fulfilling the dreams of EWS/LIG and MIG segments of owning a pucca house in cities.
- ii. Enhance the affordability of EWS/LIG and MIG segments to enable eligible urban families to purchase a house.
- iii. Promote inclusive urban development by addressing the housing needs of the urban dwellers/migrants.
- iv. Ensure equity across different segments of population by addressing the requirement of slum dwellers, different income groups, women and other underprivileged sections of the society.
- v. Promote use of resource efficient, climate responsive, thermally comfortable, disaster resilient, eco-friendly and sustainable building materials, construction technologies and processes in housing sector.

#### **4. Salient Features:**

PMAY-U 2.0 – 'Housing for All' mission will provide Central Assistance to all eligible beneficiaries/ households including respective agencies through States/UTs/PLIs to construct, purchase or rent a house at an affordable cost.

##### **i. Eligibility criteria:**

Families belonging to EWS/LIG/MIG segments, living in urban areas, having no pucca house anywhere in the country are eligible to purchase/construct or rent a house under PMAY 2.0.

EWS households are defined as households with an annual income up to ₹3 lakh. LIG households are defined as households with an annual income from ₹3 lakh up to ₹6 lakh. MIG households are defined as households with an annual income from ₹6 lakh up to ₹9 lakh. States/UTs shall have the flexibility to redefine the annual income criteria as per prevailing conditions, with concurrence of MoHUA.

##### **ii. Eligible Family:**

A beneficiary family will comprise of husband, wife, unmarried sons and/or unmarried daughters. The beneficiary family should not own a pucca house (an all-weather dwelling unit) either in his/ her name or in the name of any member of his/her family in any part of India.

##### **iii. Preference:**

Preference under the scheme, subject to beneficiaries being from EWS/LIG/MIG segments, should be given to manual scavengers, women (with overriding preference to widows, single women), persons belonging to Scheduled Castes/Scheduled Tribes/Other Backward Classes, Minorities, Persons with Disabilities and Transgenders. Further, preference will be given to Street Vendors identified under Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PMASVANidhi) Scheme and different Artisans under Pradhan Mantri-Vishwakarma Scheme by formulating special AHP+ projects.

##### **iv. Duration of the Scheme:**

PMAY-U 2.0 will be implemented for a period of five years from its date of launch in FY 2024-25 after Cabinet approval for sanction and completion of the houses/projects. A decision for its extension beyond the said period i.e. five years will be taken by the MoHUA with the approval of the Minister-in-charge, in consultation with Finance Ministry, based on the feedback from States/UTs.

##### **v. Coverage of the Scheme:**

All statutory towns as per Census 2011 and towns notified subsequently, including Notified Planning Areas, Areas falling within Notified Planning/Development area under the jurisdiction of Industrial Development Authority/Special Area Development Authority/Urban Development Authority or any such Authority under State legislation which is entrusted with the functions of urban planning and regulations shall also be included for the coverage under the scheme.

## **vi. Admissible Size of the House:**

The Scheme will support construction of houses of not less than 30 square meter (sqm) carpet area along with basic infrastructure. However, States/UTs will have flexibility in terms of determining the size of houses over and above 30 Sq.Mtr (upto 60 sqm) and other facilities at the State/UT level in consultation with the Ministry, but without any enhanced financial assistance from Central Government. States/UTs through their implementing agencies will provide trunk infrastructure from their own resources up to project site. Central Government will not provide funds to States/UTs for developing trunk infrastructure.

Houses under PMAY-U 2.0 are to be provided with basic and civic infrastructure i.e., water, sanitation, sewerage, road, power, and social infrastructure such as community center, parks and playgrounds, livelihood center to all eligible beneficiaries. However, flexibility is proposed in terms of determining size of house and other facilities at the state level in consultation with MoHUA.

## **5. Promotion of Affordable Housing Ecosystem, Reforms and Incentives**

“Affordable Housing Policy” containing various incentive and Reforms to be mandatory condition to seek benefit under PMAY – Urban 2.0. Details of these reforms and incentives will be included in operational guidelines.

To encourage participation of Public/Private entities under AHP+, Slum Redevelopment and Rental housing, following incentives have been proposed for the developers by the State Government:

- i. Formulation of “State Affordable Housing Policy” institutionalizing incentives to be provided to developers.
- ii. Reservation of Land/carpet area for Affordable Housing in Building byelaws.
- iii. Mandatory reservation of 10% of built-up area for EWS/LIG housing in all housing projects beyond 10,000 sqm built-up area or 5,000 sqm plot area.
- iv. Implementation of Model Tenancy Act to promote rental housing segment.
- v. States/UTs shall ensure Single Window time bound approval of building plans and layouts with minimal compliances devising a green channel approach with provision for deemed approval beyond 60 days from application date.
- vi. 50% additional FAR, with TDR facility free of cost, and built-up area used for EWS/LIG, not to be counted in overall FAR of the project.
- vii. Nominal (less than 1%) Stamp duty/Registration Charges for EWS/LIG houses registered under PMAY-U.
- viii. Exemption of charges in Land Conversion/Land Use changes.
- ix. Exemption of all statutory charges such as developmental charges, scrutiny charges, layout deposit and other related charges.
- x. Provision of land rights by State to landless for Affordable Housing.
- xi. Providing Land for construction of Affordable Housing Projects at lower cost.
- xii. States/UTs shall create the land bank(s) which shall be used for construction of houses under AHP+ by mapping the land available in their jurisdiction along with the ownership details.
- xiii. The completion period of construction shall be within 18-24 months, from the date of statutory approval for faster delivery of houses and to avoid cost escalation.

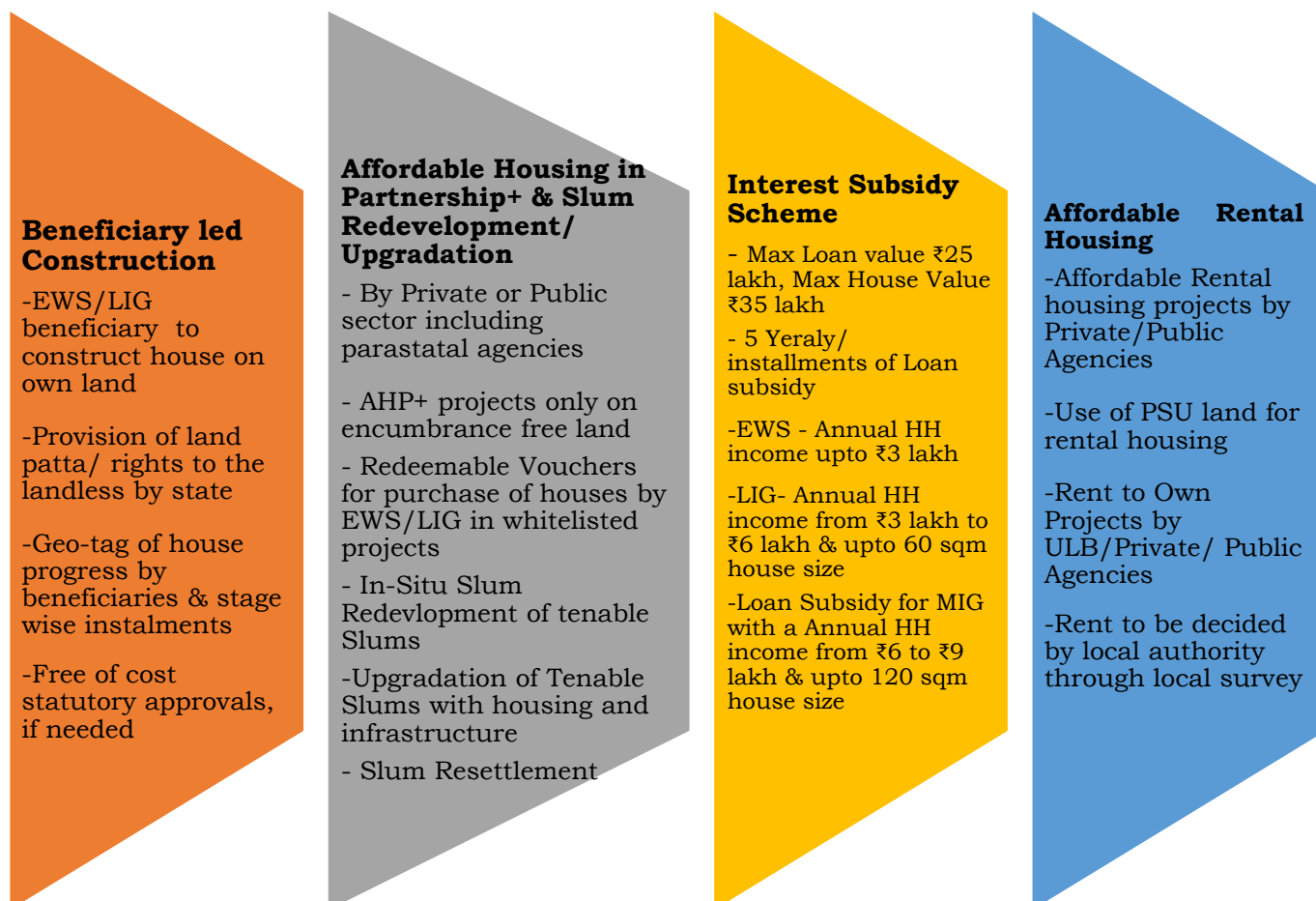
Central Government will give following benefits for all EWS/LIG houses assisted under PMAY Projects:

- i. Provision of TIG for adoption of innovative technology in house construction.
- ii. Benefit of 100% exemption of Income Tax on profit/ income accrued from Affordable Housing Projects or Affordable Rental Housing (ARH) Projects on the lines erstwhile section 80 IBA of Income Tax Act.
- iii. GST on ARH Projects to be treated at par with residential housing, and hence exempted.
- iv. Input Tax Credit on GST may be allowed for Affordable Housing Projects and ARH Projects.
- v. Infrastructure Status to all lending by Financial Institutions for PMAY-Urban 2.0 projects/ houses
- vi. To help Beneficiaries of informal sectors, Special Banking Loan Product will be developed which will also be supported by Credit Risk Guarantee Fund.

In order to participate in the scheme and to avail financial assistance from Central Government, States/UTs should agree to fulfill the reforms as mentioned above, by signing a Memorandum of Agreement with the Ministry of Housing and Urban Affairs.

## 6. PMAY-U 2.0: Mission Components:

The PMAY-U 2.0 will be implemented as Centrally Sponsored Scheme, except for the Home Loan Subsidy Scheme (HLSS) component, which will be implemented as Central Sector Scheme. States/UTs will be provided flexibility in choosing different options for intervention in the form of providing housing as described below in the four verticals of the scheme:





## **i. Beneficiary Led Construction (BLC):**

- The first component of the scheme is assistance to individual eligible families belonging to EWS/LIG categories to construct new houses on their own available vacant land. Such families may avail Central Assistance for construction of new pucca houses. Central Assistance will be released directly through Direct Benefit Transfer (DBT) to the bank accounts of beneficiaries identified in projects through States/UTs. It would be mandatory for States/UTs to provide their share under BLC vertical as State/UT matching share. The remaining cost for construction of the house will be borne by the beneficiary.
- In case, a tenable slum in any ULB has a requirement of pucca house, the State/UT government can propose the projects/list of those eligible beneficiaries for sanctioning of Central Assistance under BLC vertical.
- The beneficiaries under this vertical may be allowed to construct the all-weather pucca house of minimum 30 sqm carpet area for EWS/LIG and should conform to the building safety and design standards provided in National Building Code (NBC). However, if the beneficiary is willing to construct a house of more than the minimum specific area under the Scheme, the State/UT Government may allow the same, but the maximum Central Assistance from the Ministry shall remain the same.
- In the case of landless beneficiaries, States/UTs at their own expense may provision heritable, but non-transferable land rights (pattas) to the family, making them eligible beneficiaries under the BLC vertical.
- Beneficiaries desirous of availing this assistance shall approach the ULBs/Implementing Agencies with necessary documents, including ownership proof of land owned by them. Such beneficiaries may be residing either in slums or outside the slums/peripheral areas of the ULB. Beneficiaries living in tenable slums shall also avail this benefit.
- On receipt of applications, ULBs will prepare integrated city-wide housing projects for such beneficiaries in accordance with the city-wise plans. This should be approved by the State Level Sanctioning and Monitoring Committee (SLSMC) at State/UT level. While approving projects for individual house construction, Urban Local Bodies and States/UTs should ensure that required finance for constructing the planned house is available to the beneficiary.
- The States/UTs shall propose the BLC houses/projects of various cities through a verified list of eligible beneficiaries along with the valid land titles for approval of Central Sanctioning and Monitoring Committee (CSMC) at MoHUA. Each City shall propose the BLC proposals/lists to CSMC once in every six months for sanctioning of Central Assistance. Subsequently, States/UTs may release the first installment of financial assistance to eligible/approved beneficiaries from their own share without waiting for the Central Assistance so that the work on ground may be started.
- The progress of such individual houses should be tracked through Geo-tagging and other digital norms so that each house can be monitored

effectively. The beneficiaries shall be allowed to Geo-tag the progress of the houses through the applicable modalities and subsequently, the ULB authorities shall monitor and approve the Geo-tagging status of the house as captured by the beneficiary for subsequent release of funds.

- States/UTs are advised to create awareness among the beneficiaries on the use of innovative construction materials and techniques which enhance thermal comfort, energy efficiency and disaster resilience.

## **ii. Affordable Housing in Partnership (AHP+)**

- The AHP+ vertical will ensure that houses are constructed and delivered to EWS/LIG beneficiaries within a stipulated time period. The AHP+ projects will be sanctioned only on encumbrance free land supported with ownership documents submitted along with Detailed Project Report (DPR). The DPRs of AHP+ projects shall be comprehensive in nature and shall mandatorily include the housing as well as all related infrastructure services along with the specific roles and responsibilities of respective agencies and timelines for completion of the works along with handing over plan.
- In order to participate in the scheme and to avail financial assistance from Central Government, States/UTs should agree to fulfill the reforms as mentioned in Point number 5 herein above, by signing a Memorandum of Agreement with the Ministry of Housing and Urban Affairs.
- Under AHP+ vertical, States/UTs may also propose redevelopment or in-situ improvement projects for tenable slums having dilapidated buildings located on land falling under low damage risk zone with respect to natural hazards and are located on the land of State Government/Public/Private sector/ULB. Under this, the existing slum will be demolished and redeveloped in the form of multi-storied building with all basic amenities and social infrastructure. Transit accommodation for a period of upto 24 months will also be supported in the form of rental vouchers to share the rental cost for identified eligible beneficiaries for ease of access to dignified living during the interim period.
- Further, the State/UT may also propose projects for resettlement of “Untenable slums” which are located on environmentally hazardous sites to appropriate sites by constructing new housing colonies/group houses in alternate land with access to all basic amenities and infrastructure. All slums developed under AHP+ vertical would be compulsorily de-notified by States/UTs.
- AHP+ projects shall promote diverse housing typologies with mix of work and shelter which shall ensure livelihood opportunities. Adequate social infrastructure like schools, healthcare, green cover and recreational facilities in affordable housing areas shall be ensured.
- All projects of more than G+3 story shall mandatorily be constructed using resource efficient, climate responsive, disaster resilient, eco-friendly and sustainable building materials, technologies and processes. The project should adopt green building norms in line with prevailing standards and specifications including sustainable construction practices to provide thermal comfort, reduce energy use and environmental impact.

- Central Assistance will be released directly through Direct Benefit Transfer (DBT) to the bank accounts of beneficiaries/agencies identified in projects through States/UTs. It would be mandatory for States/UTs to provide their share under AHP+ vertical as State/UT matching share. The remaining cost for construction of the house will be borne by the beneficiary.
- For beneficiary share, State shall coordinate with Banks/HFCs to secure loans to beneficiaries. Banks will be asked to develop special product for the same and Home Loan Credit Guarantee Scheme will be formulated by Govt of India for the same. Central Assistance will be given to beneficiaries in form of DBT in loan account or Bank Account or Housing Vouchers.
- **Housing Voucher in AHP+:**
  - Under AHP+ vertical, Central Assistance shall be provided to the beneficiaries in form of redeemable vouchers for purchase of house from EWS/LIG criterion under those projects which are whitelisted in PMAY-U. States/UTs/ULB shall whitelist the projects and provide the State incentives as mentioned in point number 5 hereinabove.
  - The first time EWS and LIG homebuyers shall be eligible to get the subsidy through housing voucher in the EWS and LIG segment and forward the same to MoHUA. An e-voucher of the Central Assistance will be made available after the house is purchased by the beneficiary in some 'whitelisted project'.
  - State/UTs shall whitelist the housing projects of public/ private entity when such projects conform to all eligibility criteria and houses are available for occupancy, complying to all the necessary norms. AHP Beneficiaries can purchase houses in such projects and redeem their housing voucher.
  - State Government will also provide its share towards its part in housing voucher in AHP+.
- State/UT Governments can also propose projects for providing housing to special group of people/beneficiaries under AHP+ vertical such as Street vendor/hawkers, drivers, domestic workers, security guards, electrician, plumber, mechanic, construction workers, mason, sanitation worker, barber, anganwadi/ASHA workers, urban Self-Help Groups, police housing, cooperative housing of various professions amongst others of Ayushman Bharat and PM Vishwakarma scheme.

### **iii. Interest Subsidy Scheme (ISS):**

- This vertical will provide benefits of subsidy on home loans for EWS/LIG and MIG families. The subsidy shall be given in yearly installments for a period of five years. A maximum of ₹2.10 lakh subsidy will be given to eligible beneficiaries having a loan tenure of more than five years. Beneficiaries of EWS/LIG and MIG would be eligible for a subsidy for loan up to ₹6 lakh for EWS/LIG and ₹9 lakh for MIG.
- The households belonging to EWS/LIG/MIG segments, without having pucca house anywhere in the country, and with an annual income of up to ₹3 lakh, ₹6 lakh and ₹9 lakh, respectively will be eligible to avail the benefit of the

scheme. The carpet area of houses being under this component shall be up to 60 sqm for EWS/LIG and up to 120 sqm for MIG.

- Under this vertical, Central Nodal Agencies (CNAs) will be designated by the Ministry, who shall channelize the subsidy to the beneficiary's account through identified PLIs. Beneficiaries will register their demand through MoHUA's portal. Subsequently, application will be forwarded to the concerned PLIs for further necessary action as per his/her eligibility criteria.
- After disbursement of loan, beneficiaries/PLIs will claim subsidy through MoHUA's portal and the same will be forwarded for further necessary action to CNAs.
- Subsidy will be released through a single click on monthly basis to all the eligible beneficiaries/construction agencies by MoHUA through CNAs.
- Only Loans upto ₹25 lakh and house value of 35 lakh will be eligible for subsidy under this vertical.
- The eligible beneficiaries, belonging to EWS/LIG and MIG segments, would be free to avail housing loans for up to ₹25 lakh but the interest subsidy would be limited to 4% on the first ₹10 lakh for 12 years only.

#### **iv. Affordable Rental Housing (ARH):**

Affordable Rental Housing (ARH) vertical will create adequate rental housing for urban migrants/ homeless/ destitute/ industrial workers/ working women/ single women/construction workers/ students/ long-term tourists/ contractual employees/ professionals, among others. This vertical shall ensure affordable and hygienic living spaces for urban dwellers who do not want to own a house but require housing for short term basis or those who do not have the financial capability to construct/buy a house.

Rental housing stock could be owned and managed by ULBs or public/private entities. This would entail management of property, fixing of rents, upkeep, recycling of stock by way of giving to new migrants and moving out of occupants as per the guidelines.

Industrial workers/construction workers can be provided housing on rental basis for which ownership of assets would be with ULB/public/private entities and the industry can be considered as partner responsible for operation and maintenance.

States/UTs may set up Special Purpose Vehicle (SPVs) or Aggregators to manage the rental housing supply. States/UTs may explore formation of market-driven investment platform for ensuring adequate financing to projects undertaking rental housing construction. This vertical will be implemented through two models as under:

- **Model-1:** Affordable Rental Housing projects may be constructed, operated and maintained by Private Entities/Public Agencies on their own available vacant land. Public/Private Entities may use these rental houses to provide accommodation for their own employees/workers as well as serve the

requirement of neighboring industries or may use them as rental to others as may deem fit. Public/Private Entities will be allowed to construct ARH for own employees/workers and also other urban migrants under Corporate Social Responsibility (CSR) by allowing 100% deduction of capital expenditure.

ARH constructed through this model will consist of a mix of Dwelling Units (DUs) (up to 30/60 sqm carpet area each)/and Dormitories of 4/6 beds (up to 10 sqm carpet area per bed) including all common facilities. Minimum size of dwelling units (single/double bedroom) and dormitories shall conform to the requirement of National Building Code (NBC) and State/Local Authority norms.

- **Model-2:** Affordable Rental Housing – Rent to Ownership may be Built, Own, Operate and Transfer (BOOT) by Public/Private Entities. The rent-to-ownership option encourages those who desire to own a home in the urban areas. Under this model, the houses will be allotted to those beneficiaries, who are urban poor and do not own a pucca house within the city.

Under this model, a demand survey will be conducted by the ULBs to identify the eligible beneficiaries in the city and further will be analyzed with respect to their requirement, availability of land for creation of fresh rental to ownership housing stocks. Under this model, States/UTs can also utilize the existing government funded vacant houses that are still unoccupied. The total monthly rent to be collected from the beneficiaries in 8 years should not exceed the 75% of total State/UT share as per the approved DPR. After payment of the entire beneficiary share, the ownership of the house will be given to the concerned tenant.

States/UTs/ULBs/Parastatals may also utilize their vacant EWS/ LIG houses built under various Government housing schemes into Rent to Own houses.

## **7. Technology Innovation Grant (TIG):**

**7.1** Pursuing the vision of Hon'ble Prime Minister to transform housing construction sector, MoHUA initiated a Global Housing Technology Challenge to identify and mainstream the best available construction technologies from across the globe.

Out of the identified 54 technologies, Six Light House Projects using six distinct technologies were finalised to showcase use of these technologies for further mainstreaming in the country. These six LHPs have been constructed and more such projects built using innovative construction technologies will be scaled up in PMAY U 2.0.

**7.2** Under PMAY-U 2.0, those projects/houses under BLC, AHP, ISSR, HLSS & Rental housing are being built or constructed using resource efficient, climate responsive, disaster resilient, eco-friendly and sustainable building materials, construction technologies and processes are eligible to get a Technology Innovation Grant (TIG) for the States/UTs. This is provisioned to offset the impact of any additional cost implication due to the use of innovative building materials, technologies and t& processes so as to absorb the issues related to economies of scale and other related factors. TIG will be a financial grant and will be in addition to the existing funding under PMAY-U. MoHUA shall release **TIG at the rate of Rs**

**1,000 per sqm on built up area** (including internal infrastructure) to the States/UTs. Apart from the State Share, the State Governments may also provide additional TIG on the same pattern.

## 8. Funding Mechanism:

The cost of house construction under different verticals, except for Home Loan Subsidy Scheme (HLSS) shall be shared among Ministry, State/UT/ULB and identified eligible beneficiaries. The vertical wise Central Assistance proposed along with State/UT share and beneficiary share is as under:

States/UTs	PMAY-U 2.0 Verticals			
	Beneficiary Led Construction	Affordable Housing in Partnership+	Affordable Rental Housing	Interest Subsidy Scheme
North-Eastern Region States, Himachal Pradesh, Uttarakhand and Union Territory (UT) of J&K, Puducherry and Delhi	Central Govt.- ₹2.60 lakh per unit State Govt.- Min ₹0.40 lakh per unit  <b>(For EWS/LIG)</b>		₹5,000 per sqm by Government of India  ₹ 3,300 Per sqm by States/UTs  <b>(For EWS/LIG)</b>	Home Loan Subsidy – up to ₹2.10 lakh per unit by Government of India as Central Sector Scheme  <b>(For EWS/LIG/MIG)</b>
All other UTs	Central Govt. - ₹3.00 lakh per unit			
Remaining States	Central Govt. - ₹2.10 lakh per unit State Govt.- Min ₹1.40 lakh per unit			
<p>Notes:</p> <ul style="list-style-type: none"> <li>State/UT share shall be mandatory under PMAY-U 2.0</li> <li>In addition to Central Assistance, MoHUA will provide <b>Technology Innovation Grant (TIG)</b> only to the projects using innovative building materials, technologies &amp; processes @ <b>Rs 1,000 per sqm</b> on built up area (including internal infrastructure) to the States/UTs to offset the impact of any additional cost implication. Apart from the State Share, the State Governments may also provide additional TIG on the same pattern.</li> </ul>				

Public/State/UT/ULBs/Parastatals and other Public/Private Agencies implementing PMAY-U 2.0 may avail loan from HUDCO at affordable rates to contribute State/UT/ULB share and meet the financial requirement for completion of the projects under PMAY-2.0.

States/UTs may also facilitate the beneficiaries in taking affordable housing loan from Banks/HFCs/PLIs and these loans will be guaranteed under Credit Risk Guarantee Fund Trust (CRGFT). Modalities of CRGFT will be modified accordingly for this purpose.

## **10. Implementation Process**

**10.1 MOA:** As a first step, States/UTs will sign a Memorandum of Agreement (MoA) to participate in the PMAY-U 2.0 Mission by agreeing to mandatory conditions and other modalities. After signing of Memorandum of Agreement (MoA) showing willingness to participate in the mission by agreeing to reforms and modalities, State/Cities would undertake demand survey through various means like door-to-door survey, online registration for assessing actual demand. Aadhar number, Jan Dhan Yojana account numbers etc., of intended beneficiaries will be integrated in the database. Beneficiaries will be validated by States/UTs and ULBs.

**10.2 Selection/approval of Cities:** States/UTs will send proposals to the Ministry for inclusion of cities (already approved under existing PMAY-U and 2.0 version) in the Mission along with broad assessment of housing and resources requirement. The Ministry will approve inclusion of these cities considering availability of resources.

**10.3 Demand Assessment:** States/Cities will undertake a rapid assessment of housing demand in different verticals through suitable means for assessing the actual demand of housing. While validating demand survey, States/Cities should consider possible temporary migration from rural areas to cities just to take advantage of housing scheme and exclude such migrants from list of beneficiaries.

**10.4 City wise housing plan:** On the basis of demand survey and other available data, cities will fill in the online format of City wise Housing Plan on Ministry website containing the total and annual demand of housing by eligible beneficiaries in the city along with the interventions selected out of four verticals.

**10.5** A Beneficiary will be eligible for availing only a single benefit under any of the existing verticals. It will be the responsibility of State/UT Government and PLI to ensure that the beneficiary is not given benefit under more than one component/vertical of the Mission.

**10.6 Use of innovative Technologies:** The Technology Sub-Mission (TSM) set up under PMAY-U shall continue to guide and facilitate States/UTs and other stakeholders in adoption of modern, innovative and green technologies and building material for faster and quality construction of houses. It will also assist States/Cities in deploying disaster resistant and environment friendly technologies for climate smart buildings and resilient housing.

**10.7 Capacity Building Activities:** 5% of the allocation under PMAY-U 2.0 shall be earmarked for capacity building, Information Education & Communication (IEC) and Administrative & Other Expenses (A&OE). Allocation available under this head will be utilised for carrying out various activities required for effective implementation of the mission including Establishment of PMU at National level, SLTC / CLTC, Trainings/ Workshops/ Study/ Exposure Visits, IEC, Social Audit, Third Party Quality Monitoring (TPQM), Information Technology, Geo-tagging, Administrative & Other Expenses (A&OE), and Research/ Documentation etc.

**10.8 Convergence:** The State/UTs are encouraged to converge the housing projects with relevant Central/State sponsored schemes such as AMRUT 2.0, SBM-U 2.0, DAY-NULM, NHM, PM-Solar Mission, Ayushman Bharat, Ujjwala Yojana, Ujala etc.

## **11. Management Information System (MIS):**

A robust IT platform will be developed to monitor and evaluate the scheme. It will be accessible to all stakeholders. A mobile-friendly interface will be developed with offline functionality, and multi-lingual support with enhanced accessibility and inclusivity. States/UTs and all concerned stakeholders will have accessibility to upload all requisite information. This will enable real-time reporting and monitoring of the progress and performance of the scheme. The MIS shall provide real-time access to key performance indicators, dashboards, and analytics to enable informed decision-making by program managers and policymakers. By focusing on these key aspects of quality, the MIS system will significantly enhance the management and effectiveness of the scheme leading to better outcomes and improved service delivery for citizens.

## **12. Support and Training:**

Comprehensive training and ongoing support shall be provided to users of the MIS system to ensure effective utilization and maximum benefit. This includes user training sessions, online tutorials, helpdesk support, and user manuals in local languages.

## **13. Administration and Implementation Structure:**

- 13.1 The Central Sanctioning and Monitoring Committee (CSMC) under the Chairpersonship of Secretary, MoHUA shall be set up to supervise the implementation of the Scheme, along with approvals thereafter monitoring.
- 13.2 A Committee of Secretary, MoHUA and Secretary, Department of Financial Services in Government of India will be constituted for monitoring the Loan subsidy Scheme vertical of the Scheme, giving targets to PLIs etc. The Committee can co-opt other members as is felt necessary by it.
- 13.3 The Housing for All Mission Director under the Ministry shall be the nodal for overall implementation of the Scheme. It will be headed by the Joint Secretary, Mission.
- 13.4 Each State/UT will identify a State Level Nodal Agency (SLNA) under the Scheme wherein a State Level Mission will be set up headed by the State Mission Director for coordination of the scheme and reform- related activities.
- 13.5 State Level Appraisal Committee (SLAC) will be constituted by the State/UT for techno- economic appraisal of DPRs submitted by ULBs/Implementing Agencies. SLAC will submit their appraisal reports with their comments and recommendations to the SLNA for approval of SLSMC.
- 13.6 A suitable grievance redressal system would be set up at National/State/City level to address the grievances in implementing the Scheme from various stakeholders.