

# PMAY-U 2.0 to give housing financiers more credit cushion

**The Hindu Bureau**

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The second edition of the flagship Pradhan Mantri Awas Yojana (Urban), or the Prime Minister's Housing Scheme, which aims to address housing shortage among the urban poor, will provide more cushion to financiers and investors who provide credit facilities to the economically weaker section and lower income groups in cities for the construction or purchase of their first homes.

The government has increased the corpus of the Credit Risk Guarantee Fund Trust under the scheme from ₹1,000 crore to ₹3,000 crore to provide risk guarantee on affordable housing loans from banks, housing finance companies or primary lending institutions to the urban poor.

Further, the management of the fund will be transferred to the National Credit Guarantee Company from the National Housing Bank. The fund scheme is being restructured, and modified guidelines will be issued soon, a senior official in the Housing and Urban Affairs Ministry said. The Trust is an instrument to protect financiers and

**Credit Risk**

**Guarantee Fund**

**Trust corpus raised from ₹1,000 crore to ₹3,000 crore**

investors from possible losses in finance and credit transactions.

As on date, 118.64 lakh houses have been sanctioned under the PMAY-U. The PMAY-U 2.0 was approved by the Union Cabinet on Friday. Under this scheme, financial assistance will be provided to 1 crore urban poor and middle-class families to construct, purchase or rent a house at affordable costs through the States and Union Territories for the next five years.

A total government subsidy of ₹2.3 lakh crore will be provided under the scheme which will have a total investment of ₹10 lakh crore. The cost of house construction under different verticals will be shared by the Centre, the State government, administration of the Union Territories, urban local bodies and eligible beneficiaries.

A separate Technology and Innovation Sub-Mission (TISM) will also be set up under PMAY-U 2.0.