**GOVERNMENT OF INDIA**
**MINISTRY OF HOUSING AND URBAN AFFAIRS**
**RAJYA SABHA**
**UNSTARRED QUESTION NO. 1040**
**ANSWERED ON 09/02/2026**

# MEASURES TO PROMOTE AFFORDABLE HOUSING

**1040. SHRI JAGGESH:**

**Will the Minister of Housing and Urban Affairs be pleased to state :**

(a) whether it is a fact that the NITI Aayog has proposed tax exemptions and fiscal incentives for developers to promote the construction of budget-friendly and affordable housing across the country;
(b) whether Government proposes to rationalise GST, reduce input costs and provide policy support to lower the overall cost of affordable housing projects;
(c) whether any new home loan or credit-linked guarantee schemes are under consideration to improve access to housing finance for economically weaker sections and lower-income groups; and
(d) whether Government has set any implementation roadmap to act upon NITI Aayog's recommendations, the details thereof?

## ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS (SHRI TOKHAN SAHU)**

(a) to (d): Yes. NITI Aayog has prepared a detailed approach paper to promote and enable affordable housing and released its report in December 2025 namely 'A Comprehensive Framework to Promote Affordable Housing'. The report may be seen at https://pmay-urban.gov.in/PHQ/A_Comprehensive_Framework_to_Promote_Affordable_Housing.pdf The report has been shared with all concerned Stakeholders for further necessary action.

Ministry of Housing and Urban Affairs (MoHUA) has been implementing Pradhan Mantri Awas Yojana - Urban (PMAY-U) since 25.06.2015 with an aim to provide all weather pucca houses with basic civic amenities to eligible urban beneficiaries across the country. Based on the learnings from the experiences of implementation of PMAY-U, MoHUA has revamped the scheme and launched PMAY-U 2.0 'Housing for All' Mission with effect from 01.09.2024 for implementation in urban areas across the country to support 1 crore additional eligible beneficiaries in next five years. The scheme is implemented through four verticals i.e., Beneficiary Led Construction (BLC), Affordable Housing in Partnership (AHP), Affordable Rental Housing (ARH) and Interest Subsidy Scheme (ISS).

The ISS vertical is implemented as a Central Sector Scheme which aims to expand institutional credit flow to the affordable housing sector by providing subsidy on home loans to eligible beneficiaries of Economically Weaker Sections (EWS), Lower Income Groups (LIG) and Middle Income Groups (MIG) for purchase/ re-purchase/construction of houses.

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Under ISS vertical, a maximum release of interest subsidy of ₹1.80 lakh in five annual instalments is provided to eligible beneficiaries having a loan tenure of more than five years. Households having income up to ₹9 lakh, loan value up to ₹25 lakh for property value up to ₹35 lakh are eligible for a subsidy at 4.0 % on first ₹8 lakh for a tenure up to 12 years. So far, a total of ₹ 312.38 Crore is released as home loan subsidy to 70,638 beneficiaries under ISS vertical.

PMAY-U 2.0 supports States/UTs for formulation and implementation of 'Affordable Housing Policies' to incentivize private sector participation through appropriate regulatory, fiscal and institutional measures for increasing the supply of affordable housing stock in urban areas. Further, in September 2025, the Government of India undertook a significant rationalization of GST rates on key construction materials such as cement, marble/granite blocks, particle boards, sand-lime bricks, etc., as well as construction-related services, with the objective of enhancing housing affordability. Overall, the reduction in GST rates aligns with the Government's vision of inclusive growth, improved urban infrastructure and the realization of the Housing for All mission.

Further, Government of India has restructured Credit Risk Guarantee Fund Trust for Low-Income Housing (CRGFTLIH) for EWS/LIG. The scheme aims to enhance the credit accessibility and worthiness of eligible households by extending the guarantee on the housing loan taken from Scheduled Commercial Banks, Housing Finance Companies (HFCs) etc. It also aims to help eligible beneficiaries of PMAY-U 2.0 belonging to EWS/LIG through affordable home loans from financial institutions to complete their homes on time, there by directly contributing to the program's objectives. The CGRFTLIH scheme was launched on 15.01.2025 and a total of 6,205 loans for cumulative amount of ₹614.76 crore have been guaranteed upto 31.01.2026.

In addition, special Home Loan Products are developed by Department of Financial Services (DFS) with Banks to help Beneficiaries of informal sectors. States/UTs are also expected to facilitate home loan to PMAY-U 2.0 beneficiaries through tripartite agreement.

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