

**Proceedings of the Sub-Committee Meeting on
Pradhan Mantri Awas Yojana (PMAY) –
Affordable Housing in Partnership (AHP)**

Date: November 13, 2018

Venue: Conference Hall, Building No.2, A.P. Secretariat, Velagapudi

Time : 11.00 AM

State Level Bankers' Committee of Andhra Pradesh

Convener  **Andhra Bank**

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Minutes of the Sub-Committee Meeting on PMAY - AHP

A Sub-Committee Meeting on PMAY (U) – Affordable Housing Project (AHP) – NTR Nagar was conducted on November 13, 2018 at A.P. Secretariat, Velagapudi at 11.00 AM.

Sri KSD Siva Vara Prasad, Circle General Manager & Convener, SLBC of AP has welcomed members to the meeting and initiated the discussion on agenda items. The detailed list of participants is enclosed.

Sri D M Diwan Mydeen, MD, AP Township and Infrastructure Development Corporation Ltd., (APTIDCO) informed that Government is implementing PMAY - AHP – NTR Nagar and so far 5.29 lakh houses were sanctioned. Andhra Pradesh stood first in implementation of PMAY - AHP- NTR Nagar. Government is providing quality housing with good infrastructure. Government is constructing 3 categories of houses and these are varying with size of flats only and the quality of the all categories of flats is similar. Government of Andhra Pradesh is providing best infrastructure facilities under housing programme. Government is using shear wall technology for constructing the Houses. In this housing programme around 40% of the project cost is to be borne by the beneficiary in the form of loan & margin money and bankers' cooperation in extending necessary finance to housing beneficiaries' is required.

Sri Karikal Valaven, Principal Secretary, Municipal Administration & Urban Development, GoAP informed that PMAY (U) – Affordable housing in partnership is one of the very important scheme of Government and huge amount is invested for construction of houses and also for creation of remarkable infrastructure for better living of economically weaker section people. A series of meetings were conducted with bankers for smooth finance to this sector and minutes were circulated to all controllers.

The construction work is in completion stage in most of the ULBs. He informed that the tripartite agreement and sale deed were approved and circulated to all bankers. Government has issued G.O. regarding land alienation process in the favour of Municipalities. Still certain issues are to be resolved in extending finance to the beneficiaries.

Further, reiterated the orders issued by the revenue (Assignment-I) Department, GoAP vide G.O.MS.No.494 dated 27.09.2018 on notification of the Urban Local Bodies (ULBs) as owner of the Government lands alienated / advance possession given for construction of EWS houses pending alienation in favour of ULB. The relevant guideline is that;

“after careful examination of the proposal of the Managing Director, APTIDCO and MA&UD Department, A.P. Secretariat in the references 1st to 3rd read above, Government hereby notify the Urban Local Bodies (ULBs) furnished in the statement annexed to this order, as owner of the Government lands where government lands have been alienated or advance possession have been given for construction of EWS houses pending alienation in favour of ULB. In view of this, necessary changes in the respective revenue /

Municipal records of ULB may be carried out in the name of the ULBs". All the District Collectors shall take necessary action accordingly.

Principal Secretary, Municipal Administration & Urban Development, GoAP informed that Government is planning to organize House warming ceremony by Hon'ble Chief Minister for 75000 houses on 28.11.2018. He has requested banks to ensure disbursal of loans before 28.11.2018. Further, Government is planning to complete 2.5 lakh houses by February, 2019 in phased manner .Quality of assets (houses) developed by the Government is much better than that of private developers.

He requested;

- ❖ SLBC/LDM to prepare a uniform Legal Opinion for the benefit and requirement of banks and for uniform adoption in the state.
- ❖ Banks are requested to open Zero balance accounts for beneficiaries.
- ❖ Controllers are requested to percolate the instructions and decisions taken in SLBC / Sub-Committees to branches for implementation.

Further, he requested the forum to discuss, deliberate and decide the guidelines for effective implementation of housing programme in the state.

Convener, SLBC of AP informed that he has visited the sites at Nellore and expressed his satisfaction towards house construction. Further, he informed that in Nellore district Syndicate Bank has prepared Legal Opinion and the same was adopted by all the banks in the district. He opined that the same procedure is to be followed in all districts that the respective Lead Bank (LDM) in the district shall arrange for the Legal Opinion (ULB wise) and same is to be adopted by all banks. Similarly, uniform valuation report may be arranged for flats in a block. Further, he suggested to allocate entire block to single bank based on their targets for easy processing and sanction of loans.

State Mission Coordinator, MEPMA informed that Private Sector Banks are allocated with 20% of targets, whereas except ICICI banks no other Private Sector Banks has not communicated their confirmation for participation in PMAY – AHP programme. He requested Private Sector Banks to communicate their confirmation to Government immediately. Further, he expressed that some Branch Managers have informed that they have not received any instructions from their controlling offices to ground the scheme.

OSD, Municipal Administration & Urban Development Department has explained about the comprehensive common operational guidelines prepared by APTIDCO / MEPMA.

After threadbare discussions, the comprehensive common operational guidelines with necessary modifications suggested during the meeting are furnished hereunder.

	Details	Guidelines																					
1	Name of the scheme	Pradhan Mantri Awaas Yojana- Affordable Housing in Partnership (PMAY(U)-AHP)																					
2	Objectives of scheme	<ul style="list-style-type: none"> ➤ Affordable homes with water connection, toilet facilities, 24 x 7 electricity supply and complete access ➤ 2 crore houses to be built across the nation ➤ Targeting the Economically weaker Section of our Society (EWS), basically, the urban poor by the year 2022. 																					
3	Target Group & Eligibility	<ul style="list-style-type: none"> ➤ People who come from low income and economically weaker sections (EWS) and the households having an annual income upto Rs 3,00,000/- only ➤ The beneficiary family should not own a pucca house either in his/her name or in the name of any member of his/her family ➤ A beneficiary family to comprise husband, wife and unmarried children. 																					
4	Communication of Targets to SLBC	MD, TIDCO will inform the Targets to SLBC																					
5	Allocation of Targets to Banks	<p>SLBC will allocate the targets to all Banks.</p> <p>SLBC has already communicated the following targets to Controllers.</p> <table border="1"> <thead> <tr> <th>No. of Houses</th> <th>SLBC Lr. No.</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1,20,950</td> <td>2716/30/18/085</td> <td>20.05.2017</td> </tr> <tr> <td>1,66,296</td> <td>2716/30/18/485</td> <td>03.01.2018</td> </tr> <tr> <td>66,866</td> <td>2716/30/18/543</td> <td>16.02.2018</td> </tr> <tr> <td>10,000</td> <td>2716/30/18/596</td> <td>20.03.2018</td> </tr> <tr> <td>1,18,485</td> <td colspan="2">LDMs allocated targets at district level and directly communicated to Banks.</td> </tr> <tr> <td>Total: 482597</td> <td colspan="2"></td> </tr> </tbody> </table> <p>Bank wise target allocated is enclosed as Annexure.</p> <p>Controllers are requested to communicate the targets to their branches and give necessary instructions to the branches for implementation of the scheme. A copy of instructions issued by banks may be marked to MEPMA / APTIDCO.</p>	No. of Houses	SLBC Lr. No.	Date	1,20,950	2716/30/18/085	20.05.2017	1,66,296	2716/30/18/485	03.01.2018	66,866	2716/30/18/543	16.02.2018	10,000	2716/30/18/596	20.03.2018	1,18,485	LDMs allocated targets at district level and directly communicated to Banks.		Total: 482597		
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		Any reallocation of targets among banks shall be taken up in DCC meetings at district level by taking into consideration of justification given by Banks concerned.
6	Identification of beneficiaries	The district selection Committee headed by District In charge Minister will select the list of beneficiaries. The committee comprises of District Collector, Ministers of the district, MLAs, Mayors/Chair persons and Commissioners of ULBs in the district as members as the G.O.MS.No.263 dated 25.10.2016.
7	Allotment of flats to beneficiaries	Municipal Commissioner will allot the flats to the beneficiaries by lottery. Beneficiary wise allotment letter will be provided by the Municipal Commissioner to the banks for sanction of housing loans.
8	Segregation of wards/areas and Allotment of each Block / flat to one Bank for financing	It is planned to segregate ward wise beneficiaries in an ULB to the block wise housing units to be allotted to an individual bank branch. A group of 32/48 beneficiaries in a ward be allotted to a block of 32/48 units, to be financed by a bank branch. Blocks will be allocated to the banks by respective Municipal Commissioner in consultation with District Coordinator of APTIDCO, Banks and LDM. Contact details of District Coordinators (officials of APTIDCO / MEPMA) looking after PMAY (U) AHP are enclosed as Annexure .
9	Communication of the list allocated to the branches to opening of zero SB accounts-	MEPMA Team will communicate the lists with covering letter signed by Municipal Commissioner and coordinate with branch managers in introduction of beneficiaries and opening of SB accounts with zero balance. Banks are requested to allow the beneficiaries to open Zero balance accounts as the beneficiaries are economically weaker section people.
10	Documents to be produced for opening of the account at the Bank branches	If the beneficiary is already having SB Account with the financing Branch, the same may be linked to housing loan accounts. If new account is to be opened the following documents are required. 1. Aadhar Card (Along with aadhar card any one of the following is to be submitted) i. Voter Id

		<ul style="list-style-type: none"> ii. Ration card iii. Pass Port iv. Driving License 																								
11	Other Documents to be provided / executed by the beneficiary for availing loan	<ul style="list-style-type: none"> ▪ Aadhaar card ▪ Income certificate supported with Ration Card or Self declaration (as per PMAY Guidelines.. proforma enclosed.) ▪ Tripartite agreement between beneficiary, Bank and ULB Commissioner ▪ Plan approval ▪ Engineers Valuation Report (by Superintending Engineer (SE) or Executive Engineer (EE) of APTIDCO) 																								
12	Ownership of the land	The ownership of the government land where construction is being taken up will be transferred to Municipal Commissioner as per GO No.494 and the lands purchased for construction of PMAY project will be in the name of Municipal commissioner for the onward registration to the beneficiaries																								
13	Legal Opinion	LDMs / Lead Banks of respective districts will arrange for the Legal Opinion (ULB wise) as per the lay out site for uniform implementation by branches at ULB level, which will be accepted by all the scheme implementing banks in the ULB without further vetting.																								
14	Sale Deed	Sale deed will be executed by the Municipal commissioner as Vendor and beneficiary as Vendee and will be mortgaged to bank at the time of release of final installment of loan.																								
15	Unit Cost	<p>Category : (Total cost excluding land and infrastructure cost)</p> <table border="1"> <thead> <tr> <th></th> <th>Total cost</th> <th>S- Gol</th> <th>S-GoAP</th> <th>Borrower stake</th> <th>Bank Loan</th> </tr> </thead> <tbody> <tr> <td>A. 300 sft -</td> <td>Rs.5,65,000/-</td> <td>1,50,000/-</td> <td>Rs.1,50,000/-</td> <td>Rs.500/-</td> <td>Rs.2,64,500/-</td> </tr> <tr> <td>B. 365 sft -</td> <td>Rs.6,65,000/-</td> <td>1,50,000/-</td> <td>Rs.1,50,000/-</td> <td>Rs.50,000/-</td> <td>Rs. 3,15,000/-</td> </tr> <tr> <td>C. 430 sft -</td> <td>Rs.7,65,000/-</td> <td>1,50,000/-</td> <td>Rs.1,50,000/-</td> <td>Rs.1,00,000/-</td> <td>Rs.3,65,000/-</td> </tr> </tbody> </table>		Total cost	S- Gol	S-GoAP	Borrower stake	Bank Loan	A. 300 sft -	Rs.5,65,000/-	1,50,000/-	Rs.1,50,000/-	Rs.500/-	Rs.2,64,500/-	B. 365 sft -	Rs.6,65,000/-	1,50,000/-	Rs.1,50,000/-	Rs.50,000/-	Rs. 3,15,000/-	C. 430 sft -	Rs.7,65,000/-	1,50,000/-	Rs.1,50,000/-	Rs.1,00,000/-	Rs.3,65,000/-
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16	Cost Estimate /valuation	Superintending Engineer (SE) or Executive Engineer (EE) of APTIDCO at ULB level will give the category wise (SFT. area wise) valuation certificate of flats to the banks, which will be accepted by all the scheme implementing banks in the ULB.																								
17	Escalation in the cost of the dwelling unit	<p>Additional amount on account of escalation in the cost of the dwelling unit will be borne by the Government.</p> <p>APTIDCO / MEPMA will arrange for necessary correction in the Tripartite Agreement, page No.3 as; “and whereas, if for any reason there is escalation in the cost of the dwelling unit / house for whatever reasons the additional</p>																								

		<p>amount shall be borne by the Government".</p> <p>Municipal Commissioner of respective ULB will attest the correction in the Tripartite Agreement, which will be accepted by all the banks.</p>
18	Scrutiny of the loan applications	Scrutiny of applications will be done by the concern bank branches.
19	Confirmation of receipt of beneficiary contribution	Since beneficiary contribution has already been collected by the APTIDCO, banks need not insist for beneficiary contribution at the time of loan sanction. Municipal Commissioner will give the confirmation certificate to banks with respect to payment of beneficiary's contribution to APTIDCO.
20	Payment of subsidy of GoI and GoAP contribution	APTIDCO will receive the subsidy from GoI and GoAP and make the payments to the contractors basing on the stage of construction.
21	Sanction letter by the Bank Branch.	<p>On completion of loan documentation, the bank branch has to issue sanction letter clearly mentioning about loan amount, rate of interest, Moratorium period, loan repayment period and EMI.</p> <p>After sanction of the loan, basing on the authorization given by beneficiary and letter issued by the Municipal Commissioner, Bank shall transfer the loan amount directly to the specified account of APTIDCO from time to time as per the disbursement schedule.</p> <p>The loan amount to be released based on the physical stage of the unit as per the tripartite agreement.</p>
22	Stamp duty	As per G.O.MS.No.369 dated 03.07.2018, Government has exempted stamp duty charges on registration of sale deed, Mortgage deed and other documents, which is available in APTIDCO Website for use of the Banks.
23	Insurance	<p>The house/flat shall be insured comprehensively for the market value covering fire, floods etc in the joint names of bank and beneficiary.</p> <p>Borrower has to pay the premium amount for asset insurance. MEPMA / APTIDCO field functionaries will educate and sensitize the beneficiaries in respect of asset insurance and premium payment.</p>

		Liability Insurance also may be done by banks on optional basis, with the consent of the beneficiary.
24	Processing charges	Processing charges are waived for the loans sanctioned under the scheme as the beneficiaries are of EWS category
25	Rate of interest	As per the internal guidelines of respective banks to EWS.
26	Repayment	<ul style="list-style-type: none"> ➤ The loan is to be repaid in 240 EMIs with a moratorium of 24 months. ➤ Maximum exit age to be considered under the scheme is 70 years. However, in such cases, to provide longer repayment period the loan may be considered by including one of the eligible family members as joint applicant/co-borrower to fix up appropriate EMIs. ➤ Moratorium period of the loan will be 24 months from the date of allowing first disbursement of loan by the Bank or date of completion & handing over of completed house, whichever is earlier. ➤ Interest accrued during the Moratorium period shall be capitalized and EMI would be fixed accordingly which shall be paid at the time of commencement of repayment period.
27	Right of financing Bank	<p>If there is any consecutive default in repayment of the loan installment for more than 3 months (NPA), the financing Bank shall have the right to take possession and sell the property under SARFAESI to recover the loan amount. However PMAY Scheme guidelines shall be followed, since the loan is sanctioned under PMAY Scheme. Bank shall have the First Charge on the asset created so long as the loan is not repaid.</p> <p>The Urban Local Body shall also keep the Bank indemnified at all times against all losses, costs and expenses that Bank may incur in the event of ULB not completing the development and construction of the scheduled property within the time specified or abandoning the project altogether.</p>
28	Assistance of recovery of bank loans.	MEPMA team will coordinate with Bank branches and assist the Banks in recovery process.
29	Update of loan release details in on-line.	<p>A service will be provided to the Municipal Commissioner to update the data of loans sanctioned (beneficiary wise):</p> <p>i) date of sanction of loan, ii) loan amount sanctioned, iii) rate of interest, iv) repayment in no of installments, v) Repayment</p>

		commencement date and vi) EMI amount. Data of loan installments released/disbursed: i) Date of release, ii) No. of installments and the amount released and iii) the date of transfer of amount to the account of MD, APTIDCO.
30	Role of MEPMA	The Resource Persons/field staff of MEPMA shall bring awareness among the beneficiaries about the scheme and help the banks in documentation as well as follow up and recovery. MEPMA will reform the SHGs and facilitate in establishing livelihood activities.
31	Other terms and conditions	As applicable from bank to bank.

In addition to the operation guidelines, the following requests were made during the meeting.

- ❖ APTIDCO is requested to represent SRO to simplify the procedure of Registration of Mortgage without physical presence of Banker & Borrower for smooth implementation of programme.
- ❖ Government is requested to route the claim proceeds of Chandranna Bima Yojana settled if any, through borrower loan account, for reducing the loan burden to his/her family members.
- ❖ Canara Bank and Oriental Bank of Commerce informed that they are ready to accept additional targets under PMAY – AHP.
- ❖ For any assistance banks are requested to contact MEPMA officials at ULB level.

(Action: all Banks, LDMs, SLBC, MEPMA, APTIDCO & MA&UD, GoAP)

The meeting concluded with vote of thanks to the Chair.

LIST OF PARTICIPANTS

Sl. No.	Name of the official Shri/Smt.	Designation	Organization/ Department
1	K S D Siva Vara Prasad	Circle General Manager & Convenor, SLBC of A.P	Andhra Bank
2	R.Karikal Valaven, IAS	Principal Secretary, Municipal Administration & Urban Development Dept.	Govt. of A.P
3	D M Diwan Mydeen, IFS	Managing Director, AP Township & Infrastructure Development Corporation Ltd., (APTIDCO)	Govt. of A.P
4	T R Jagadeesh Babu	OSD, Municipal Administration & Urban Development Dept.	Govt. of A.P
5	M Subrahmanyeswara Rao	State Mission Co-ordinator, MEPMA	Govt. of A.P
6	Md. Musheer Ahmed	DMC-BL, MEPMA	Govt. of A.P
7	S Nagarjuna Rao	P R O, I&PR	Govt. of A.P
8	J Srinivasa Reddy	PA to M.D , MIS,APTIDCO	Govt. of A.P
9	Y Sreenivasa Raju	Chief Accounts Officer, APTIDCO	Govt. of A.P
10	R Jaganmohan Rao	DCO,BL,APTIDCO	Govt. of A.P
11	Y Venugopal Reddy	DCO,BL,APTIDCO	Govt. of A.P
12	K Munirathnam	DCO,BL,APTIDCO	Govt. of A.P
13	G Ananda Rao	DCO,BL,MEPMA	Govt. of A.P
15	T VeeraBabu	DCO,BL,MEPMA	Govt. of A.P
16	M Manikyam	S.O,Finance dept.,	Govt. of A.P
17	J Ravikanth	T.E ,MEPMA	Govt. of A.P
18	M Seshagiri Rao	General Manager	Bank of Baroda
19	B Nagarjuna	DY. General Manager	Indian Bank
20	C Pulla Reddy	Dy. General Manager	Syndicate Bank
21	Dr K Ravindranath	DY. General Manager	Union Bank of India
22	S Jagannatha Swamy	Asst. General Manager, SLBC	Andhra Bank
23	J SeethaRama Raju	Asst. General Manager	State Bank of India
24	R K Malik	Asst. General Manager	OBC
25	MVVSS Subba Rao	Divisional Manager	Canara Bank
26	V V Subbalakshmi	Chief Manager	SBI
27	T Jummilal	Chief Manager	Andhra Bank
28	B Srikar Reddy	Chief Manager	Andhra Bank
29	G Venkateswara Reddy	Chief Manager	Indian Bank
30	G Sarada Vani	Chief Manager	Indian Overseas Bank
31	P V Durga Prasad	Chief Manager	Union Bank of India
32	K SivaPrasad	Chief Manager	Punjab National Bank

33	P SaiPrasad	Chief Manager	Allahabad Bank
34	S Raju	Chief Manager	Central Bank of India
35	B Rasheed	Chief Manager	OBC
36	C K S Prasad	Chief Manager	OBC
37	NVB Srinivas	Chief Manager	Bank of Maharashtra
38	K Ramakrishna	Regional Manager	SGB
39	Tatikonda Srinivas	Regional Head	ICICI Bank
40	Sudhir V	Regional Head	ICICI Bank
41	B Seshi Reddy	AVP-RO	Lakshmi Vilas Bank
42	Vasudevan Potti	AVP	Federal Bank
43	S Pratheep Kumar	Chief Manager	Tamilnad Mercantile Bank
44	N C Acharya	Sr. Manager	Corporation Bank
45	Ashok Korreti	Sr. Manager	ICICI Bank
46	B SureshBabu	Sr. Manager	APGVB
47	Jyothsna R	Manager	Andhra Bank
48	M Narasimhulu	Manager	Indian Overseas Bank
49	T Prakash Rao	Manager	Central Bank of India
50	V Naveen Kumar	Manager	Vijaya Bank
51	V Sudheer Chowdary	Manager	Karur Vysya Bank
52	Raavi Gopi Krishna	Manager	Dhanalakshmi Bank