

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 808  
TO BE ANSWERED ON SEPTEMBER 17, 2020**

**ACTION AGAINST DEFAULTING BUILDERS/DEVELOPERS**

**NO. 808.         SHRI VELUSAMY P. :**

**Will the Minister of HOUSING AND URBAN AFFAIRS**

- (a)   whether the Government is aware of the fact that Public Sector Banks (PSBs) are issuing notices to the flat owners for non-payment of the dues of the builder/ developer and if so, the details thereof;**
- (b)   whether the Government has enacted any special law that for non-payment of bank loans raised by the builder/developer should be paid by the legal owners of the flat and if so, the details thereof; and**
- (c)   the preventive steps taken by the Government against the builder/developer who defaulted repayment of loan taken from PSBs?**

**ANSWER**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE  
MINISTRY OF HOUSING AND URBAN AFFAIRS**

**(SHRI HARDEEP SINGH PURI)**

**(a) to (b):   No specific instances of Public Sector Banks (PSBs) issuing notices to flat owners for non-payment of dues on the part of builders/developers have been brought to the notice. No law has been enacted pertaining to repayment of dues of builders/developers by home owners in case of default by the former.**

**(c): For any default in repayment of loans, PSBs take recovery action in accordance with law and in terms of the Board approved policies including filing Suits in Civil Courts & in Debt Recovery Tribunals, action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, through negotiated settlement/compromise, and sale of non-performing assets.**

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