

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA
UN-STARRED QUESTION NO. 5115**

TO BE ANSWERED ON 4th APRIL, 2022/ 14 CHAITRA, 1944 (SAKA)

'Housing Finance Sector'

5115 : Shri. MAGUNTA SREENIVASULUREDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has created a framework to address the crisis in Housing Finance Sector;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government is aware of the dent in Housing Finance Corporations assets growth due to the onset of the COVID-19 pandemic; and
- (d) if so, the actions taken by the Government to address the issue?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): The Reserve Bank of India, *vide* its Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, has stipulated the regulatory framework for Housing Finance Companies (HFCs), which provides, *inter alia*, that to resolve stress in housing finance extended by HFCs, in cases where there is a delay in completion of a project on account of factors beyond the control of the project implementing agency, HFCs are permitted to reschedule the loan agreement terms regarding interest and/or principal once and that such an account may be treated as standard provided that interest is paid regularly and there is no default. Further, in cases where natural calamities impair the repaying capacity of a borrower, HFCs may reschedule loan agreement terms regarding interest and/or principal and such accounts shall not be classified as sub-standard.

National Housing Bank (NHB) has extended its support to the HFCs to obviate the liquidity issues, by launching various schemes *viz.*, Liquidity Infusion Facility Scheme (LIFt), Affordable Housing Fund (AHF), Special Refinance Facility (SRF) and Additional Special Refinance Facility (ASRF). The support extended to HFCs under the said schemes is ₹9,244 crore under LIFt, ₹25,985 crore under AHF, ₹13,917 crore under SRF, and ₹8,112 crore under ASRF.

The Government of India has set up the Special Window for Affordable & Middle Income Housing (SWAMIH) to provide priority debt financing for completing construction of stressed, brownfield, Real Estate Regulatory Authority registered residential

developments that are in the affordable housing or in mid-income category, have positive net worth and require last-mile funding to complete construction in stalled housing projects. The fund has so far granted preliminary approval for 141 projects and final approval for 111 projects.

Further, the Government of India, *vide* notification dated 17.6.2021, has notified that HFCs having assets worth ₹100 crore and above are specified as financial institutions for the purposes of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, thereby enabling them to enforce their security interests for recovery purposes.

(c) and (d): While there was a disruption in the business of HFCs during the first quarter of the financial year 2020-21, home loan extended by HFCs has since picked up. Details of the outstanding loan amounts of HFCs are as under:

	In crore₹		
	As on 31.3.2020	As on 31.3.2021	As on 28.2.2022
Outstanding loan amount	6,53,484	7,14,379	7,93,980*

* Provisional figure

Source: National Housing Bank
