**GOVERNMENT OF INDIA**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 375**

**TO BE ANSWERED ON DECEMBER 13, 2018**

**RELIEF TO BUYERS IN HOUSING PROJECTS**

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| **No. 375** | **SHRI AMAR SHANKAR SABLE:** |
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Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

(a) whether thousands of housing projects are stalled across the country as builders are unable to complete these projects for want of funds;

(b) if so, whether buyers are suffering as they have invested their hard-earned money for purchasing houses from the builders;

(c) if so, the Government’s response thereto;

(d) whether the Ministry has requested the Ministry of Finance to create stress funds to complete stalled housing projects;

(e) if so, the details thereof and the response received from that Ministry in this regard; and

(f) the steps taken by the Ministry to give relief to buyers?

**ANSWER**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE**

**MINISTRY OF HOUSING AND URBAN AFFAIRS**

**(SHRI HARDEEP SINGH PURI)**

(a)to(c): Ministry of Housing and Urban Affairs (MoHUA) does not maintain information about the stalled housing projects of any State/Union Territory. As per provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA), the ‘appropriate Government’ i.e. States/Union Territories (UTs) are to establish the Real Estate Regulatory Authority to regulate and develop the real estate sector in the concerned State/UT. The Real Estate Regulatory Authority of the concerned State/UT is required to publish and maintain a web portal, containing relevant details of all real estate projects for which registration has been given, for public viewing.

(d)&(e): A High Level Committee was constituted by the Government of Uttar Pradesh to redress the issues of home buyers and affected parties in Noida, Greater Noida and Yamuna Expressway Authority. Based on the recommendations of this Committee,

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the Ministry of Housing & Urban Affairs has requested Department of Financial Services to take up the matter with the Reserve Bank of India (RBI): (i) for issuing clarifications on their circular dated 12th February, 2018 related to “Revised Framework for Resolution of Stressed Assets” and (ii) to permit last mile funding of the projects based on the concept of Last in First Out (LIFO) model where the investor who puts in his money at the last stage to complete the stalled projects, exits first.

(f): RERA has been enacted to protect the interest of homebuyers. Section 4 of RERA provides for compulsory deposit of seventy percent of amount realised for real estate project from allottees in a separate bank account to cover the cost of construction and land cost. RERA also, interalia, makes the promoter liable for refund of amount, with interest and compensation, in case developer fails to complete or is unable to give possession of apartment, plot, building to home buyers, as per the terms of the agreement for sale.

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