



PMAY-U 2.0

For Prelims: [Housing finance companies \(HFCs\)](#), [Primary lending institutions \(PLIs\)](#), [Pradhan Mantri Awas Yojana-Urban 2.0 \(PMAY-U 2.0\)](#), [Interest Subsidy Scheme \(ISS\)](#),

For Mains: Role of Financial Institutions in providing affordable housing, Socio-Economic Implications of PMAY, Strategies for Enhancing the Implementation of PMAY-U 2.0

Source: [PIB](#)

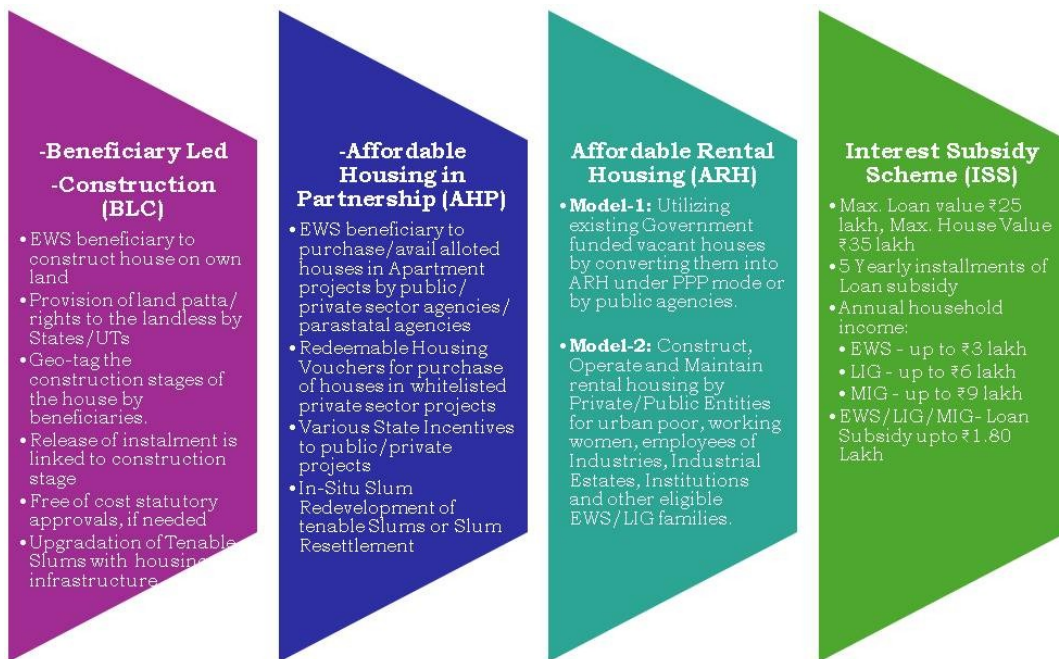
Why in News?

Recently, on 14th November 2024, the [Ministry of Housing and Urban Affairs \(MoHUA\)](#) in partnership with [National Housing Bank \(NHB\)](#), organized a national workshop in New Delhi focusing on the [Pradhan Mantri Awas Yojana - Urban 2.0 \(PMAY-U 2.0\)](#) and its [Interest Subsidy Scheme \(ISS\)](#).

What are the Core Themes in PMAY-U 2.0?

- **Objective of PMAY-U 2.0:** PMAY-U 2.0 will provide financial aid to **1 crore urban poor and middle-class families** through States/UTs/PLIs for affordable housing in urban areas over five years from **1st September 2024**.
 - Preference will be given to widows, single women, persons with disabilities, senior citizens, transgenders, Scheduled Castes/Scheduled Tribes, minorities, and other vulnerable sections.
 - **Special focus includes** Safai Karmi, street vendors ([PM SVANidhi Scheme](#)), artisans ([Pradhan Mantri-Vishwakarma Scheme](#)), [Anganwadi workers](#), construction workers, slum/chawl residents, and other identified groups.
- **Workshop Participation:** The workshop was attended by over 250 participants from various banks, [housing finance companies \(HFCs\)](#), and [primary lending institutions \(PLIs\)](#), emphasizing the collaborative effort needed for successful implementation.
- **Key Features of PMAY-U 2.0:**
 - The scheme includes four verticals, allowing beneficiaries to choose based on eligibility.
 - The **ISS vertical** provides interest subsidies to [economically weaker sections \(EWS\)](#), low-income groups (LIG), and middle-income groups (MIG) on home loans.
 - The Government assistance under PMAY-U 2.0 will be **upto 2.50 lakh per unit**.

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- **Role of Financial Institutions:** The Government called upon banks and HFCs to actively participate in this reformative journey towards **achieving the goal of "housing for all"** by 2047, which aligns with India's vision of becoming a developed nation.

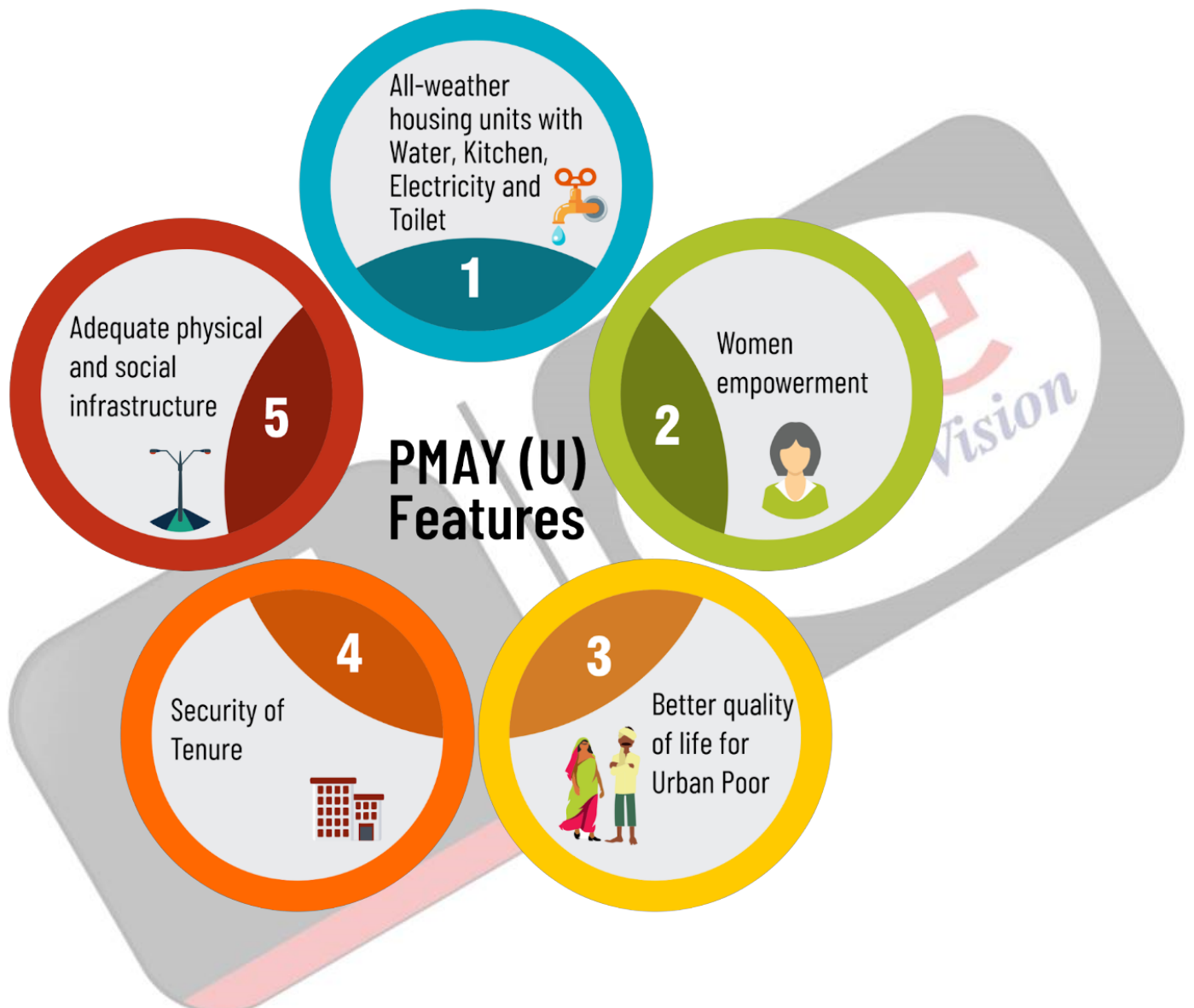
What is Pradhan Mantri Awas Yojana?

- The scheme has following two components:
 - **Pradhan Mantri Awas Yojana- Gramin (PMAY-G):**
 - **Launch:** To achieve the objective of **"Housing for All" by 2022**, the erstwhile rural housing scheme **Indira Awas Yojana (IAY)** was restructured to **Pradhan Mantri Awas Yojana-Gramin (PMAY-G)** from 1st April 2016, as a **centrally sponsored scheme**.
 - **Ministry Involved:** Ministry of Rural Development.
 - **Status:** States/UTs have sanctioned **2.85 crore houses** to the beneficiaries and 2.22 crore houses have been completed till March 2023.
 - **Aim:** To provide a pucca house with basic amenities to all rural families, who are homeless or living in **kutcha or dilapidated houses by the end of March 2022**.
 - To help rural people **Below the Poverty Line (BPL)** in the construction of dwelling units and upgradation of existing unserviceable kutcha houses by assisting in the form of a full grant.
 - **Beneficiaries:** People belonging to **SCs/STs, freed bonded labourers and non-SC/ST categories, widows or next-of-kin of defence personnel killed in action, ex-servicemen and retired members of the paramilitary forces, disabled persons and minorities.**
 - **Selection of Beneficiaries:** Through a three-stage validation such as **Socio-Economic Caste Census 2011, Gram Sabha, and geo-tagging.**
 - **Cost Sharing:** The **Centre and states share expenses in 60:40 ratio** in case of plain areas, and in **90:10 ratio for northeastern states**, two **Himalayan states** and the **UT of Jammu and Kashmir**.
 - The Centre bears **100% cost in case of other Union Territories**, including the UT of Ladakh.
 - **Pradhan Mantri Awas Yojana - Urban (PMAY-U):**
 - **Launch:** Launched on 25th June 2015 it intends to provide housing for all in urban areas by the year 2022.
 - **Implemented by:** **Ministry of Housing and Urban Affairs**
 - **Status:** A total of 118.64 lakh houses have been sanctioned and more than 88.02 lakh are

completed/delivered to the beneficiaries.

◦ **Features:**

- Addresses Urban housing shortage among the Urban Poor including the **Slum Dwellers** by ensuring a pucca house for eligible urban poor.
- The Mission covers the entire urban area consisting of **Statutory Towns, Notified Planning Areas, Development Authorities, Special Area Development Authorities**, Industrial Development Authorities or any such authority under State legislation which is entrusted with the functions of urban planning & regulations.
- The Mission promotes women's empowerment by providing the ownership of houses in the name of female members or in a joint name.



▪ **Scheme Implemented in Four Verticals:**

- **In-situ Rehabilitation** of existing slum dwellers using land as a resource through private participation.
- **Credit Linked Subsidy:** People from **Economically Weaker Section (EWS)**, Low Income Group (**LIG**), and Middle Income Groups (**MIG-I and MIG-II**) can get interest subsidies of 6.5%, 4%, and 3% on housing loans up to Rs. 6 lakh, Rs. 9 lakh, and Rs. 12 lakh respectively for buying or building houses.
- **Beneficiary-led Individual House Construction/Enhancement:** Central Assistance upto **Rs. 1.5 lakh per EWS house** is provided to eligible families belonging to EWS categories for individual house construction/ enhancement.

What are the Socio-Economic Implications of PMAY-U 2.0?

- **Affordable Housing Access:** PMAY-U 2.0 is expected to significantly increase access to **affordable housing for urban poor and middle-class families**, enhancing their quality of life.
- **Economic Boost:** By facilitating home ownership, the **scheme can stimulate economic growth through increased construction** activities and related job creation in the housing sector.
- **Social Inclusion:** The initiative promotes **social equity by providing housing** solutions to marginalized communities, thus contributing to inclusive urban development.
- **Impact on Urban Infrastructure:** Improved housing can **lead to better urban infrastructure** as more families **gain access to basic amenities**, contributing to overall urban planning efforts.

What Strategies Can Enhance the Implementation of PMAY-U 2.0?

- **Strengthening Monitoring Mechanisms:** Establish **robust monitoring systems** to track the progress of housing projects and ensure timely disbursement of subsidies.
- **Public Awareness Campaigns:** Launch awareness programs to educate potential beneficiaries about the scheme's benefits and application processes, ensuring wider participation.
- **Capacity Building for Financial Institutions:** Provide training for staff at banks and HFCs on the specifics of PMAY-U 2.0, enabling them to assist applicants effectively.
- **Leveraging Technology:** Utilize technology through a **unified web portal that simplifies application processes, tracks status updates**, and facilitates communication between stakeholders.
- **Collaboration with State Governments:** Foster partnerships between central and state governments to align efforts towards achieving housing targets effectively.

Drishti Mains Question

Discuss how the Pradhan Mantri Awas Yojana - Urban 2.0 contributes to achieving sustainable urban development in India.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. Among other things, which one of the following was the purpose for which the Deepak Parekh Committee was constituted? (2009)

- (a) To study the current socio-economic conditions of certain minority communities
- (b) To suggest measures for financing the development of infrastructure
- (c) To frame a policy on the production of genetically modified organisms
- (d) To suggest measures to reduce the fiscal deficit in the Union Budget

Ans: (b)

Q. In the context of the Indian economy, non-financial debt includes which of the following? (2020)

1. Housing loans owed by households
2. Amounts outstanding on credit cards
3. Treasury bills

Select the correct answer using the code given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (d)

Mains:

Q. With a brief background of quality of urban life in India, introduce the objectives and strategy of the 'Smart City Programme.' (2016)

Q. Discuss the various social problems which originated out of the speedy process of urbanization in India. (2013)

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