प्रधान मंत्री
आवास योजना-शहरी 2.0
Pradhan Mantri Awas Yojana-Urban

सत्यमेव जयते
Ministry of Housing and Urban Affairs
Government of India

Credit Risk Guarantee Fund Trust

for Low Income Housing

CRGFTLIH

Scheme Guidelines

January 2025



Ministry of Housing and Urban Affairs
Government of India

Preface

A house not only provides shelter, but it also brings in dignity of living for a family. A safe and secured home provides access to better opportunities, livelihood options, improved health and education and overall improvement in the quality of life. However, a significant section of the society, particularly the Economically Weaker Section (EWS) and Low-Income Group (LIG) are facing challenges in acquiring ownership of affordable houses. There are several factors which lead to this challenge, primarily because of informal incomes, low savings, limited financial history, restricted access to formal banking services among others. Lending to these segments is often considered as a high risk by the bankers, leaving many families to unable to fulfil their dream of owning a house.

There is an urgent need to promote efficiency, competition, transparency, and accountability, among the lending institutions to increase the flow of access to credit to these segments. This can be achieved by expanding the umbrella of financial inclusion in the housing loan sector to the EWS and LIG segments which is crucial for driving inclusive economic development. It will not only empower individuals and families but will also stimulate greater involvement of lending institutions for investment in the affordable housing sector.

To increase the flow of credit by the Institutions, the Ministry of Housing and Urban Affairs (MoHUA) is promoting the Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) which will act as a game-changer in addressing the housing shortage among EWS and LIG segments. It would serve as a robust risk-mitigant by boosting the confidence of lending institutions. This mechanism would allow lenders to secure housing loans based solely on financed assets, without requiring additional collateral. This fund can effectively channelise institutional funds into the affordable housing sector, helping to overcome the financial barriers faced by these underserved communities. CRGFTLIH will be made available to Primary Lending Institutions (PLIs), reducing their exposure to default risk while providing home loans to the EWS and LIG segments for construction or purchase of their first home.

Considering the evolving economic scenario, the income limits have been aligned with the current definition of EWS and LIG under the Pradhan Mantri Awas Yojana-Urban 2.0 (PMAY-U 2.0) Scheme. This change ensures that guarantee coverage is extended to loans of up to ₹20 lakh, available to beneficiaries with annual household incomes of up to ₹3 lakh for EWS and ₹6 lakh for LIG, respectively. The Credit Risk Guarantee Fund Trust for Low Income Housing, 2012 (CRGFTLIH 2012) has been restructured as the Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) Scheme. The Scheme is available for home loans sanctioned on or after 1st September 2024.

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Definitions for the purposes of the Scheme

Amount in Default	The principal and interest amount outstanding in the housing loan account of the borrower, as on the date of the account becoming Non-Performing Asset (NPA), or the date of lodgement of claim application, whichever is lower or such other amount as may be specified by the Trust.
Carpet Area	The net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment. Explanation: For the purpose of this definition, the expression "exclusive balcony or verandah area" means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and "exclusive open terrace area" means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee.
Collateral security	Security provided in addition to the primary security.
Economically Weaker Section	Households having an annual income up to ₹3.0 lakh.
Eligible Activity	Construction and purchase of first house/ dwelling unit involving a housing loan amount not exceeding Rs 20 lakh.
Eligible Borrower	Borrower(s)from EWS/LIG households seeking housing loan not exceeding ₹20 lakh for purchasing first housing unit of carpet area up to 60 sqm.
Guarantee Cover	The maximum cover up to 70% of the amount in default in respect of the housing loan extended by the lending institution.
Guarantee Fee	One time guarantee fee paid by the member institution to the Trust for availing the guarantee cover under the Scheme.
Housing Loan	The financial assistance through housing loan extended by the lending institution to the eligible borrower for purchase/construction of first house/dwelling unit.
Lending Institution(s)	Scheduled Commercial Banks, Housing Finance Companies, Regional Rural Banks (RRBs), State Cooperative Banks, Urban Cooperative Banks, Small Finance Banks, Non-Banking Financial Company- Micro Finance Institutions' (NBFC- MFIs) or any other financial institutions as may be identified by the Reserve Bank of India (RBI) or National Housing Bank (NHB).

Low Income Group	Households having an annual income from ₹3.0 lakh up to ₹6.0 lakh.
Management Committee	The scheme will be administered through a Management Committee (MC) under the chairmanship of Secretary, MoHUA
Member Lending Institutions	Lending Institutions who have executed agreement or submitted undertaking for getting registered as Member Lending Institution (MLI) to avail guarantee facility extended by the National Credit Guarantee Trustee Company (NCGTC)
National Credit Guarantee Trustee Company Limited	Company set up by Government of India under the Companies Act to act as the Trustee to operate various Credit Guarantee Funds.
Non-Performing Asset	A loan for which the principal and interest payment remained overdue for a period of 90 days or as specified by the Reserve Bank of India from time to time.
Primary Security	The asset created out of the housing loan extended to the borrower.
Repo Rate	The rate at which the Reserve Bank of India (RBI) lends money to other banks or financial institutions.
Settlor	An entity which established the Trust and legally transfers its management to the Trustee. In this case, Ministry of Housing and Urban Affairs, Government of India is the Settlor.
Special Mention Account	Special Mention Accounts (SMA) as per RBI guidelines signifying stress in the borrower's repayment behaviour and are required to be reported to RBI. SMA- 0, if the amount is overdue for upto 30 days. SMA-1, if the amount is overdue for more than 30 days and upto 60 days. SMA-2, if the amount is overdue for more than 60 days and upto 90 days.
Tenure of Guarantee cover	Period from the Guarantee start date which shall run through the agreed tenure of the housing loan or for a maximum period of 25 years or until the loan termination date, whichever is earlier.
Trust	The Credit Risk Guarantee Fund Trust for Low Income Housing, set up by Government of India with the purpose of guaranteeing payment against default in housing loans extended to eligible borrowers.

Abbreviations

CEO	Chief Executive Officer
CRGFTLIH	Credit Risk Guarantee Fund Trust for Low Income Housing
EWS	Economically Weaker Section
LIG	Low Income Group
MoHUA	Ministry of Housing and Urban Affairs
HFA	Housing for All
HFC	Housing Finance Company
IBA	Indian Banks' Association
MLI	Member Lending Institution
NBFC	Non-Banking Financial Company
NBFC-MFI	Non-Banking Financial Company- Micro Finance Institution
NCGTC	National Credit Guarantee Trustee Company
NPA	Non-Performing Asset
PMAY-U 2.0	Pradhan Mantri Awas Yojana - Urban 2.0
RBI	Reserve Bank of India
RRB	Regional Rural Bank
SARFAESI	Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act
SFB	Small Finance Bank
SMA	Special Mention Account
MC	Management Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MD	Mission Director

1. Rationale:

1.1 Housing is one of the basic necessities of every human after food and clothing. Provision of a pucca house transforms the life of families by boosting their dignity and aspirations. It further enables the family to improve their health, education and social security. However, due to affordability issues, restricted access to formal banking services etc, a large section of society is unable to own a house. One of the strategies is to facilitate easy access to housing loan thereby boosting their affordability to build/purchase their own pucca house.

1.2 Owning a pucca remains a distant dream for low-income group as providing credit to the segment is wrongly perceived to be high risk lending. Therefore, limited access to credit is available for the Economically Weaker Section (EWS) and Low-Income Group (LIG) on the part of the lending institutions due to informal incomes or lack of established credit history. This leads to housing deprivation for large section of society.

1.3 Considering the significant shortage of houses for the weaker section, there is an immediate need for intervention with appropriate tool for channelizing institutional funds. Such situation warrants for the constitution of a government-supported Credit Risk Guarantee Fund to act as a strong risk-mitigant and enhance the confidence of the lending institutions to extend credit to this segment. It will enable the lenders to secure the housing loan purely on the assets financed, without any collateral.

1.4 With the above background, the mechanism of Credit Risk Guarantee is being made available to Member Lending Institutions (MLIs) which will reduce their exposure to risk on providing home loans to the EWS/LIG segment for the construction/purchase of a new house.

2. Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH), 2012

The Scheme of Credit Risk Guarantee Fund Trust for Low-Income Housing (CRGFTLIH), 2012 was approved by the Union Cabinet on 23rd March 2012 for EWS and LIG to enable access to finance for purchase/construction of their house. It aimed to guarantee affordable housing loans up to ₹5 lakh sanctioned and disbursed by lending institutions without any collateral security and/or third-party guarantee to eligible borrowers in EWS category with an annual household income up to ₹60,000 and LIG category with an annual household income up to ₹1,20,000. The Scheme aimed to support EWS/LIG households by enhancing their credit worthiness to access home loans from Lending Institutions such as Banks, Housing Finance Companies (HFCs) etc.



3. Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) Scheme

In response to the changing economic landscape and to broaden the Scheme's outreach, CRGFTLIH, 2012 has been restructured into CRGFTLIH Scheme. Under CRGFTLIH Scheme, the income criteria for eligible beneficiaries and guarantee cover for loan have been enhanced.

3.1 Aims and Objectives:

a. Create enabling environment and encourage MLIs for sanctioning housing loans to the weaker sections of society and enhance credit accessibility by reducing perceived default risk on the home loans for financial institutions, thereby increasing loan eligibility through financial inclusion of EWS/LIG.

b. Inclusion of individuals working in informal sector such as home-based workers, construction/contract workers, safai karmachari, Aganwadi workers, daily wagers, hawkers, security guards, coolies, rickshaw pullers, street vendors, cobblers, waste pickers, plumbers, masons, labourers, painters, welders, sweepers, sanitation workers, domestic workers, drivers, barbers, fruits and vegetable vendors, delivery agents amongst others.

c. Promote sustainable and inclusive growth of society, especially for marginalized communities.

d. To encourage more small-sized housing loans, making home financing accessible to more people in need of affordable housing loans. This aims to support borrowers particularly from the informal sectors who seek affordable financing options for housing.

e. Provide financial assistance to the beneficiaries of PMAY-U 2.0 by offering home loans to ensure timely completion of houses under this Scheme.

3.2 Key Features of the Scheme:

a. The Scheme will provide partial guarantee cover on home loans taken by beneficiaries with annual household income of up to ₹3 lakh for EWS and ₹6 lakh for LIG, respectively. CRGFTLIH Scheme provides to guarantee the affordable housing loan up to ₹20 lakh excluding any other charges or fees like insurance premiums, processing fees, etc., for construction or purchase of first house with a carpet area up to 60 sqm. sanctioned and disbursed by MLIs to eligible beneficiaries/borrowers.

b. The guarantee coverage under the Scheme shall be provided by the Trust up to a maximum of 25 years or the tenure of the housing loan, whichever is earlier.

c. The scheduled commercial banks may charge up to a maximum interest rate of 4% above the repo rate from the borrower and other HFCs/NBFCs/MLIs may charge a maximum rate of interest of 7% above the repo rate.

d. The guarantee cover can be invoked by the MLIs after 24 months from the first disbursement of loan to the borrower.

e. In the case of default, the Trust will cover up to 70% of the outstanding amount (amount in default). This guarantee amount will be paid to the MLIs in two installments. The first instalment of 75% of the eligible claim shall be paid subsequent to initiation of legal proceedings in the account upon it becoming Non-Performing Asset (NPA). The remaining 25% of the eligible claim shall be released subsequent to conclusion of legal proceedings.

f. Guarantee Fee:

I. A one-time guarantee fee, calculated at a specific rate on the total sanctioned loan amount (whether disbursed or not), as defined in the below table, shall be paid to the Trust for the eligible loans by the end of the next consecutive quarter following the quarter in which the first release was made by the MLI to the beneficiary. The guarantee fee shall be as under:

S. No.	Home Loan Category	Fees	Maximum Fees
1	Up to ₹5 lakh	1%	₹5,000
2	>₹5 lakh to ₹10 lakh	0.50%	₹5,000 + 0.5% on amount exceeding ₹5 lakh and up to ₹10 lakh
3	> ₹10 lakh to ₹20 lakh	0.25%	₹7,500 + 0.25% on amount exceeding ₹10 lakh and up to ₹20 lakh

II. MLI shall not charge any amount in lieu of the 'Guarantee Fee' from the borrower/beneficiary at any stage. Further, there will not be any other charges including annual servicing fee from the borrower/beneficiary under this Scheme. The guarantee fee once paid by MLI to Trust is non-refundable, except in case of its excess remittance.

g. Any changes in key features and guarantee fee shall be done with prior permission of settlor only.

4. Functions of National Credit Guarantee Trustee Company Ltd.

i. Credit Risk Guarantee Fund Trust shall be managed by National Credit Guarantee Trustee Company Ltd. (NCGTC) through NCGTC Board of Directors as Trustee. The Trust shall take all necessary actions to secure the guaranteed loans as decided by the Management Committee (MC).

ii. NCGTC shall manage and administer the affairs of the Trust and shall have overall supervision to smoothly manage the activities related to the Trust in an effective manner, in accordance with the Scheme guidelines to make the Trust sustainable.

iii. NCGTC may hire staff, manage assets, cover expenses and take any other actions needed to ensure the effective management of the Trust to achieve its goals, if necessary.

iv. NCGTC can authorise the Chief Executive Officer (CEO) or other officials from the Trust to handle financial matters on behalf of the Trust. This includes opening and managing bank accounts, investments, borrowings, signing of contracts, and dealing with important financial documents. The specific functions of CEO, NCGTC shall be as under:

a) The CEO of the NCGTC shall be responsible for managing the Trust and handling its daily operations.

b) The CEO or any other officer appointed by CEO, shall play a key role in both managing the Trust and representing the Trust in legal matters.

v. NCGTC shall have the authority to accept donations or contributions from individuals, national and international organizations, or institutions. However, these donations must align with the Trust's goals and purposes. Additionally, the Trust's name cannot be changed or associated with any other names as a condition of accepting these donations.

vi. NCGTC shall adhere to the terms of the Scheme and any modification therein from time to time and same shall be deemed to be part of guarantee given by the Trustee under this Scheme.

vii. The income generated from investing the corpus fund will be used exclusively to support the objective of the Scheme. Any funds that are saved or remain unused at the end of each year will not be spent elsewhere but will be added to the existing main corpus fund. This approach ensures that all earnings and unused funds continuously contribute to the Scheme's overall resources and sustainability.

viii. Amounts received by the Trust from MLIs will be adjusted to cover various fees & charges or any penal interest that may be due towards the eligible housing loan on MLIs.

ix. NCGTC will execute an agreement with the MLIs who want to avail the benefits under the Scheme.

x. NCGTC will closely monitor the performance of the loan portfolio of the MLIs which shall be reviewed by the Management Committee at its meetings.

xi. NCTGC based on the performance of the MLIs and the quality of their portfolios, may take appropriate credit risk measures by revising the guarantee fees on future portfolios of the respective MLI (s) or debarring such MLI from obtaining the guarantee cover under the Scheme for such period (s) as deemed fit.

xii. Considering operational requirements and to boost effectiveness of scheme, NCGTC may issues circulars to MLIs specifying procedures and processes including additional conditions, if any on MLIs and loan accounts.

5. Management Committee

i. The Scheme will be administered and supervised through the Management Committee (MC) under the chairmanship of Secretary, MoHUA. The Committee shall have the following composition:



1	Secretary, Ministry of Housing and Urban Affairs	Chairperson
2	Joint Secretary & Mission Director (HFA)	Vice Chairperson
3	Joint Secretary, Department of Financial Services	Member
4	Joint Secretary, Department of Expenditure	Member
5	Chairman & Managing Director, Housing & Urban Development Corporation Limited	Member
6	Managing Director, National Housing Bank	Member
7	Chief Executive, Indian Banks' Association	Member
8	Deputy Managing Director, State Bank of India	Member
9	Chief Executive Officer, NCGTC	Member Secretary

Note:

1 The Chairperson of the MC will have the authority to co-opt or remove any other member or invite special invitees to the meeting of the MC as and when need arises.

2 A member appointed as above in his/her ex-officio capacity shall remain as a member only as long as he/she holds that office and upon his/her vacating that office, his/her successor shall become a member without any further Act or Deed.

ii. The MC shall be responsible for reviewing, supervising and monitoring the functioning of the Trust and shall provide necessary guidance to the Trust/Trustee on broad policy matters related to the Scheme.

iii. The MC shall be fully empowered to appraise the performance of the Scheme and recommend changes/modifications in the Scheme, for approval of the competent authority. MoHUA may entrust the MC with such other responsibilities as it may deem necessary, in the interest of the Scheme.

iv. The MC shall meet as often as necessary and not less than once in a year. The meeting of the MC shall be called by the Member Secretary of the MC upon the instructions of the Chairperson.

v. For any meeting of MC to proceed, at least four (4) members of the committee shall be present. The meetings of the MC shall be chaired by the Chairperson or in his absence by the Vice-Chairperson.

vi. Decisions at the meeting of the MC shall be taken by a vote of majority of the members present and voting. In the event of a tie in votes, the Chairperson has the authority to cast an additional vote to break the tie.

vii. The special invitees may provide valuable insights but will not have the right to vote on any decisions made during the meeting.

6. Responsibilities of Member Lending Institutions (MLIs)

6.1 MLI can avail guarantee on home loans sanctioned and disbursed subject to the following criteria:

i. The loan payments owed to MLI are recoverable and have not been classified as Special Mention Account (SMA) or Non-Performing Asset (NPA) in accordance with Reserve Bank of India's guidelines as amended from time to time.

ii. The property or asset purchased/constructed with the loan is available for recovery of outstanding loan amount, in case of default.

iii. The loan taken should be used only for the intended purpose only i.e. construction/purchase of house. Any part of the loan amount shall not be used for purchase of land or plot.

iv. There should not be any dues or fees etc. pending at the end of borrower while applying for guarantee cover.

6.2 The specific responsibilities of MLIs are as follows:

i. The loans sanctioned on or after 1st September 2024 and not classified as SMA/NPA shall be eligible for coverage under the Scheme upon signing the agreement by MLI with Trust.

ii. In order to avail the guarantee cover, MLIs shall have to submit details of loan proposal disbursed every quarter by end of next consecutive quarter.

iii. MLI has to ensure that it shall not execute any loan contract covered under this Scheme, which is contrary to any conditions/terms of the Scheme.

iv. MLI must carefully assess each housing loan application using prudent banking norms as defined by the RBI and shall conduct thorough background checks, analyse the applicant's financial situation, and ensure the loan proposal is reasonable and likely to succeed. MLI shall take all necessary precautions in selecting applicants who demonstrate reliable repayment potential, while managing and monitoring each borrower's account with care and responsibility.

v. The MLI shall ensure that the loans extended for construction or purchase of under-construction house/flat are construction-linked and disbursement is released in stages based on progress of construction.



vi. In case an under-construction dwelling unit supported under the Scheme is in a Multi-Storey Apartment Project/Building, the MLI shall ensure that the said project/building is RERA compliant, failing which guarantee shall become void.

vii. The MLI shall ensure that the assets financed under the Scheme is duly mortgaged and registered in CERSAI prior to the account turning NPA with a view to secure the housing loan under SARFAESI Act, 2002, and/or other applicable laws as may be approved by the Fund.

viii. MLI must safeguard the primary security provided by the borrower to back the housing loan by keeping these assets in a secure, enforceable condition so that they can be recovered in case of default by the borrower.

ix. MLIs shall submit monthly report to the Trust detailing SMA-1/SMA-2/NPA accounts in a particular month.

x. MLI shall take all the necessary recourses for recovery of the outstanding amount in default and comply with the directions issued by the Trust/Trustee from time to time.

xi. MLI shall exercise the same diligence in recovering the dues, as it might have exercised in the normal course if no guarantee had been furnished by the Trust.

xii. MLI shall submit such statements and furnish any such information as the Trust/Trustee may require in connection with any housing loan under this Scheme. MLI shall also furnish all such documents, receipts, certificates and other writings to the Trust/Trustee as and when required and shall be deemed to have affirmed that the contents of such documents, receipts, certificates and other writings are true.

7. Invocation of Guarantee on housing loan

i. MLI shall not be allowed to make any claim during the lock-in period of 24 months under any circumstances. In case, the housing loan becomes a Non-Performing Asset (NPA), MLI has to invoke the guarantee within 1 year of the account turning NPA and in case the loan account becomes NPA within the lock-in period then MLI can pursue the claim within 1 year after the end of lock-in period subject to the following conditions being met:

(I) Guarantee on the housing loan must be active at the time when the loan account is classified as NPA.

(II) Trust will honour the coverage only if MLI has adhered to the Trustee's policies and guidelines.

(III) Initiation of recovery proceedings under the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI) or any other applicable law notified/agreed by Management Committee from time to time.

ii. Borrower may obtain any home/life insurance for the loan accounts, but MLI shall not insist on such insurance. Further, the claims under this scheme for such loan accounts, shall be settled on pro-rata basis after adjusting claimed amount through insurance to avoid any duplicate claim.

iii. Guarantee under this Scheme shall be available to multiple loan accounts of borrower (provided the cumulative loan amount does not exceed ₹20 lakh) against the same property from same MLI.

iv. While determining the claims for submission, MLI shall adhere to the process as outlined by Trust. Subsequently, after the claim verification, Trust shall pay 75% of the guaranteed amount to MLI as first installment and balance 25% shall be paid only after completion of recovery proceedings by MLI against borrower/beneficiary.

v. The Guarantee cover shall not be provided to MLI in case of non-adherence of Scheme guidelines and other rules & regulation/directions of the Trust/Trustee regarding this Scheme and any negligence, during the processing of loan, its due diligence, appraisal/approval, sanction, disbursement, recovery etc., entire amount in default shall be borne by the MLI if loans turns into NPA and amount paid by Trust, if any shall be adjusted/recovered by Trust along with 2% simple interest per month at any stage.

vi. Any amount recovered by the MLI and owed to the Trust should be paid promptly. If MLI delays this payment for more than 30 days from the date of recovery, MLI shall be liable to repay the amount along with 2% simple interest per month, and it will apply to the entire period the payment remains outstanding after the initial 30-days period.

vii. MLIs shall appoint Nodal Officer(s) and inform in writing about the same to Trust. These Nodal Officer(s) shall only be authorized to interact with Trust and make Guarantee Claims on behalf of MLI. Claims submitted by any other officials/offices of MLI shall not be entertained by the Trust/Trustee and Trust/Trustee shall not be responsible for any claims sent by any person other than Nodal Officer(s). MLI shall promptly notify the Trust about any change in the Nodal Officer(s).



viii. The MLI must provide the Trust with updates on its efforts to recover money from the borrower, including any amounts collected or other relevant information, as requested by the Trust related to recoveries. The MLI shall be responsible for taking any action on the specific directions of the Trust to secure the asset applicable under SARFESAI Act or any other applicable law notified/agreed by Management Committee from time to time.

ix. In case the Trust has paid the MLI a portion of the loan amount in default and the MLI later recovers any money, MLI shall deposit the recovered amount to the Trust after adjusting the legal expenses of MLI related to the recovery efforts. If the recovered amount after adjusting the expenses of MLI related to the recovery efforts is more than or equal to the Amount in Default, then the Trust will retain the amount paid by the Trust to the MLI under the guarantee cover and shall return the excess amount to the MLI. Further, in case the recovered amount after adjusting the expenses of MLI related to the recovery efforts is less than the Amount in Default, then the trust after assessing the actual amount in default after adjusting recovered amount shall be liable to pay only 70% of the net amount in default as final payment.

8. Powers of the Settlor

i. Ministry of Housing and Urban Affairs, Government of India is the Settlor of the Trust. It would contribute to the corpus of the fund and promote the Trust. It shall also have the authority to issue policy directions from time to time.

ii. The Settlor may from time to time alter the guidelines which align with the objectives of the Trust including change in the constitution of Management Committee, replacing/appointing a new Trustee, their powers and rules and regulations regarding the conduct of the business and all matters in respect of which provisions are outlined in the guidelines.

9. Audit

i. The accounts of the Trust shall be audited every year by the Chartered Accountant or a firm of Chartered Accountants who will be appointed by the Trust based on the recommendations of Comptroller and Auditor General of India. The remuneration and tenure of the appointed auditor shall be determined by the Trust.

ii. Following the audit, the Trust will convene a special meeting to approve the audited accounts by inviting the MC. Upon approval during the meeting, a copy of the approved audited accounts shall be sent to the Settlor within one month.

10. Indemnity

i. Settlor and any member of MC shall not be liable for any breach of trust committed by any other member except in respect of his/her own act and in respect of any property in his/her custody.

ii. MLI shall indemnify the Settlor, members of MC, CEO, other officials, and authorized representatives against any losses, damages, claims, or expenses etc. due to any gross negligence, misconduct at the end of MLI.

iii. Trust shall be responsible, in cases where Trust:

a) intentionally fails to act in the Settlor's best interests,
b) involves in gross negligence, fraud, or dishonesty, or
c) do not exercise necessary care and diligence required to perform at their end.

11. Inspections

Trust/Settlor shall have the right to inspect or request copies of the financial records and documents of the MLIs and any borrowers they serve, as deemed necessary for the Scheme. This includes but not limited to reviewing accounts, instructions, manuals, circulars, etc. related to loans. The inspection may be done by Trust or MC officials or by someone else designated for this purpose. Any employee/representative of the MLI or the borrower, who has access to these records, must provide these records to the Trust or MC's representatives as and when requested by Trust/MC.

12. Administrative & Other Expenses

i. The operational cost including administrative, infrastructure and other related expenses of the Scheme will be met out of the income of the Trust which includes guarantee fees charged by the Trust from the lending institution.

ii. The Trustee of the Trust can receive payment for their work, including fees and expenses, which may be agreed upon from time to time. They can also get reimbursed for reasonable costs they incur while performing their duties and responsibilities. Similarly, the Trust, which includes its non-official directors and officials, can receive fees and be reimbursed for expenses as decided by the MC in agreement with the Settlor. Additionally, all costs related to holding meetings, such as fees and travel, lodging, and food expenses, will be paid from the Trust's funds.



13. Termination of Trust's liability and other exceptions

If the liabilities of a borrower to MLI arising from eligible housing loan guaranteed under this Scheme are transferred or assigned to any other borrower and if the conditions as to the eligibility of the borrower and the amount of the facility and any other terms and conditions, if any, subject to which the housing loan can be guaranteed under the Scheme are not satisfied after the said transfer or assignment, the guarantee in respect of the housing loan shall be deemed to be terminated as from the date of the said transfer or assignment.

14. Modifications, Exceptions and removal of difficulties

MoHUA reserves the right to modify, alter, cancel, withdraw the Scheme of CRGFTLIH as required from time to time. However, any rights or obligations created under a guarantee issued under this Scheme before such modifications/ alteration/ cancellation/withdrawal, shall remain unchanged. The Settlor will resolve the difficulties faced by the Trust and other concerned stakeholders during the implementation of the Scheme, if deemed necessary. On extinction of the Trust due to any reason, the Trust Fund on first charge to the Settlor /MoHUA and/or the rest of the Trust fund after settling dues, will be returned to the Consolidated Fund of India.

15. Disputes and Jurisdiction

i. The terms of this Scheme shall prevail on any other documents or contracts of Trustee or MLI, in case of any conflict.

ii. All disputes and differences between the NCGTC and MLIs arising, as far as possible be resolved through negotiations.

iii. In case of a dispute between the parties, the matter will be resolved through mutual discussion. Further, if the parties fail to resolve the issue amicably, the decision of Settlor shall be final and binding upon the parties.

iv. However, if any differences/disputes still persist, the Competent Court in Delhi or Mumbai shall have exclusive jurisdiction to decide any question regarding the interpretation and construction of this declaration or administration of the Trust and the related matters.

v. With respect to any matter not specifically provided for in this Scheme, the Trust may make such supplementary or additional provisions or issue such instructions or clarifications as may be necessary for the purpose of the Scheme.

vi. Any amount of secondary transaction covered under the Scheme shall be done by the NCGTC or any other designated entity as decided by the Trust ensuring availability of adequate primary securities for such issue/issues.

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Annexure 1

Format for Undertaking by Member Lending Institution

Undertaking to be executed by Member Lending Institutions along with certified True Copy of Board Resolution to extend guarantee cover on home loans

To
The Chief Executive Officer, NCGTC
National Credit Guarantee Trustee Company Ltd. (NCGTC)
Premises No. 1410, 14th Floor,
"Parinee Crescenzo", Plot No. C-38 & 39,
G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai–400051

Dear Sir,

In consideration of the National Credit Guarantee Trustee Company Ltd. (hereinafter referred to as "the Company" which expression shall, unless repugnant to the context, also include its successors and assigns), agreeing to guarantee through Credit Risk Guarantee Fund Trust for Low Income Housing (herein referred to as the 'Trust') under Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) Scheme (as amended from time to time). A copy of the Scheme guidelines is hereto annexed, and which is hereinafter referred to as "the Scheme"), certain credit facilities extended by us to eligible borrowers,
we _____(Name of lending institution), do hereby agree with the Company as follows:

1. That the provisions of this Undertaking shall be in addition to, and not in derogation of, the provisions of the Scheme and the guidelines and instructions issued by the Company from time to time.

2. That the provisions of the Scheme and such modifications as may be made thereto from time to time shall be deemed to be incorporated in this Undertaking and shall be binding on us, in so far they relate to the credit facilities granted by us to borrowers which have been or are eligible for being guaranteed thereunder.

3. That the provisions of the Scheme and this Undertaking shall be applicable to or in relation to all credit facilities eligible for guarantee under the Scheme.

4. That we shall claim the benefit of the guarantee under the Scheme only in respect of the credit facilities specified in the Scheme and to the extent provided therein and that we shall for this purpose obtain and preserve affidavits or other documents from the borrowers concerned that the borrowers in respect of whom the benefit of the guarantee has been or is to be provided by the Company are eligible for the guarantee under the Scheme. If found otherwise, at any stage, the Company shall be at liberty to take such action as it may deem fit.

5. That we shall create charge on the assets to be created out of the credit facility extended by us within a reasonable period of time from the date of disbursement but in any case, before the account turning NPA. We shall create charge in our favour and take all necessary steps to protect the interests of the Company.

6. That we agree that a borrower who ceases to be so eligible will, in accordance with and subject to the provisions of the Scheme, be excluded from the benefit of any guarantee and that for this purpose, we shall obtain from the borrower concerned every quarter or at such other intervals as may be required by the Company, such information declarations as may be deemed necessary.



7. That the books of accounts, ledgers and other documents relating to eligible credit facilities covered by the Scheme shall, as far as may be practicable, be segregated and maintained in a proper manner so as to facilitate such scrutiny or inspection as may be undertaken by the Government of India (GoI) or by the Company or by any other person nominated by the Company in this behalf.

8. That we undertake to make available to the Officers of GoI, Company or any agency which may be specified /duly appointed by the Company in this behalf, as the case may be, all our books and records and provide such other facilities as may be required for such scrutiny and inspection.

9. That we give consent that Company may share the borrower's information, including data and documents provided by us, with GoI, Credit Bureaus, Law Enforcement Agencies, any other institution or any agency appointed by the Company for analysis, scrutiny or inspection or such other matter as deemed fit by the Company.

10. That we shall furnish to the Company a statement in a form and manner required by the Company, showing the outstanding balances with break-up of principal and interest /other expenses details in respect of the eligible credit facilities covered under the Scheme, as and when required by the Company.

11. That we shall furnish to the Company thereafter such statements or information as the Company may require about the eligible credit facilities covered under the Scheme in such form and manner, and at such intervals, as may be required by the Company.

12. That in order to enable the Company to ascertain whether a claim made on it/ the Trust is on account of any eligible credit facility which has been so covered, we shall preserve in good order the detailed statement or statements referred to in clauses above as also the relevant documents relating to the said credit facility.

13. That we shall, in respect of every eligible credit facility covered under the Scheme, exercise due diligence in recovering the dues, and safeguarding the interest of the Company/Trust. We shall, in particular, refrain from any act of omission or commission either prior to or subsequent to invocation of guarantee, which may adversely affect the interest of the Company (or Trust managed by it) as the guarantor.

14. That for invoking the guarantee under the Scheme, we undertake to submit to the Company an application in such form, as may be specified by the said Company, and furnish such other information as may be required of us by the Company/Trust.

15. That we shall secure for the Company/Trust or its appointed agency the right to inspect the primary security of the housing loan if and when considered necessary by the Company/Trust.

16. That we shall secure for the Company/Trust or its appointed agency the right to list the defaulted borrowers names and particulars on the web site by the Company/Trust.

17. That we give consent to furnish information to various Credit Information Bureaus/other institutions that the Company may demand from time to time with regard to the eligible credit facilities covered under the Scheme.

18. That notwithstanding anything to the contrary contained in the Scheme, if any loss occurs in respect of an account covered by the Scheme owing to actions/decisions taken contrary to or in contravention of the scheme or the guidelines issued by the Company, we shall not make and shall not also be entitled to any claim on the Company in respect of the said account and the Company may take such action, as it may deem fit.

19. That all applications, documents, receipts, statements and other papers shall be signed on behalf of our institution by the Chief Executive Officer or by other persons in our employment who shall be deemed to be authorized by us to sign all such applications, documents, receipts, statements and other papers and that any irregularity in the signature, or want of authority of the persons so signing shall not in any way affect or prejudice the rights of the Company or affect our liability in respect thereof.

20. That all data, including applications, periodical returns, funds transfer, updated or transferred to the Company in the electronic form, shall be deemed to be signed on behalf of our institution by the Chief Executive Officer or by other persons in our employment who shall be deemed to be authorized by us to sign all such applications, documents, receipts, statements and other papers and that any irregularity in the use of member-id, or want of authority of the persons so signing shall not in any way affect or prejudice the rights of the Company or affect our liability in respect thereof.

21. That we shall introduce and follow such accounting arrangements as may be necessary or as may be required by the Company or take such other steps as may be necessary or expedient for protecting its interests in respect of the outstanding balances on account of credit facilities in regard to which the Company's guarantee is invoked by us.

22. That this Undertaking shall take effect from the date of signature.

23. That the stamp duty payable on this Undertaking shall be borne by us.

Yours faithfully,

For and on behalf of,

Signature **Name:** **Designation:** **Place:** **Date:**

Note:

i. This Undertaking is to be executed by the Member Lending Institution for getting itself registered as Member Lending Institution (MLI) to avail of the guarantee facility extended by the Company.

ii. This Undertaking is to be executed by an official authorized by appropriate authority of the Member Lending Institution

iii. This Undertaking is to be stamped as an agreement. The liability to stamp duty will depend upon the place where it is executed and/or acted upon.

iv. Kindly enclose resolution from your Board of Directors, approving enrolment as member under the Scheme

*****



Annexure 2

Master data to be collected from the MLI for MISA/ Monitoring by the Trust

S. No.	Field Name	Description
1	**Credit Guarantee Number (CGN)**	
2	**MLI Details**	
a	Name of MLI:	Name of MLI:
b	MLI code:	MLI code can be the same code assigned to PLIs used PMAY-U 2.0
c	Category of MLI	Provide the category of MLI ie. Bank/HFC/others
3	**Borrower Details**	
a	Applicant's Name	Borrower's Name who has availed the loan under this Scheme
b	Gender	Borrower's gender
c	Date of Birth	Borrower's date of birth
d	Email ID of Borrower	Email ID of borrower
e	Mobile No.	Mobile no. of the borrower
f	PAN No.	PAN No. of borrower
g	Masked Aadhar	Aadhar No. of the borrower
h	Whether PMAY-U 2.0 Beneficiary? [Yes/No]	MLI to provide information. If yes, share the unique application ID generated for beneficiary under PMAY-U 2.0
i	Religion	Borrower's religion. [Hindu/Muslim/ Christian/ Sikh/ Jainism/Buddhism/Zoroastrianism/ Others]
j	Caste Category	Borrower's caste category. Like [General/SC/ST/OBC]
k	Education Qualification	[No Education/up to Matric- / Intermediate/Bachelor/Masters/ Doctoral]

l	Distinct Occupation:	**If Salaried-01** – [Government Employee-0101, Private Sector Employee-0102, Public Sector Employee-0103] **If Self-Employed-02** – [Freelancer-0201, Contractor-0202] **If Business-03** – [Small Business-0301, Medium Business-0302, Large Business-0303] **If Professional-04** – [Doctor-0401, Lawyer-0402, Engineer-0403, Finance professional-0404, Architect/Planner-0405, Teacher/Professor-0406, Artist-0407, Management Consultant-0408, Other Professionals-0409] **If Homemaker-05** – [Homemaker-0501] **If non-salaried-06** [Farmer-0601, Transport Driver-0602, Street Vendors-0603, Fisherman-0604, Daily Wage Worker-0605, Artisan-0606, Ex-service man0607]
m	Sector	[Sales & Marketing/Financial & Insurance Services/Fashion & clothing/ Media & Entertainment/Infra and allied construction industry/ FMCG/ Transport/ Health & wellbeing/Other Industry]
n	Annual Household Income	Annual Household Income of Borrower should not be more than ₹6 lakh
o	Household Category EWS/LIG	Borrower is EWS category if Annual household income up to ₹3 lakh and LIG if Annual household income above ₹3 lakh and up to ₹6 lakh
4	**Present Address**	
a	(House No., Society name, Area name)	
b	City/Town/Village	
c	District	
d	State	
e	Pin Code	

5	**Permanent Address**	
a	(House No., Society name, Area name)	
b	City/Town/Village	
c	District	
d	State	
e	Pin Code	
6	**Property Address for which home loan has been taken**	
a	Address (House No., Society name, Area name)	
b	City/Town/Village	
c	District	
d	State	
e	Pin Code	
7	**Property Details**	
a	Type	I. Residential Apartment - 01 ii. Builder Floor - 02 iii. Independent House - 03 iv. Plot+ Independent House – 04
b	Size of Housing Unit per sqm.	Size of unit for which housing loan is sanctioned, should not be more than 60 sqm.
c	Whether Borrower own any other House	[Yes/No] Reject in case of No
8	**Loan Purpose:**	I. Self-Construction – Plot + Construction ii. Self-Construction – Construction of Dwelling Unit on existing land iii. Purchase of Dwelling Units from Builders iv. Purchase of Old Dwelling Units/Resale Units v. Renovation/Expansion of Existing Dwelling Units. [IF Renovation/Expansion of existing house is chosen then Guarantee becomes in-eligible]

9	**Home Loan Details**	
a	Loan Account Number:	Loan account number to be provided
b	Loan Amount Sanctioned:	Mention loan amount sanctioned in actual (₹)
c	Sanction Date:	Date/Month/Year [dd/mm/yyyy]
d	Disbursal Date:	Date/Month/Year [dd/mm/yyyy]
e	Tenure	Provide duration in (months):
f	Moratorium Period	Provide duration in (months):
g	Type of interest:	Provide interest type in: [Fixed/Floating/Others]
h	Rate of interest:	Provide rate of interest in (%):
i	EMI	Mention amount in actual (₹)

