

**Press Information Bureau  
Government of India  
Ministry of Finance**

---

25 JUN 2019 6:35PM by PIB Delhi

**The Government of India extends bank loans to Economically Weaker Section (EWS) under various Schemes.**

In terms of Reserve Bank of India (RBI) Guidelines on Priority Sector Lending (PSL), a target of 40 percent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as of preceding March 31st, has been mandated for lending to the priority sector by domestic Scheduled Commercial Banks and Foreign Banks with 20 branches and above. Within this, sub-targets of 10 and 18 percent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as of preceding March 31<sup>st</sup>, have been mandated for lending to weaker sections and Agriculture respectively. Further, within the 18 percent target for agriculture, a sub-target of 8 percent of ANBC or OBE, whichever is higher has been prescribed for Small and Marginal Farmers.

As per RBI's notification dated 19.06.2018 loans to individuals up to Rs. 28 lakh in metropolitan centre and Rs. 20 lakh in other centres, are eligible to be classified under priority sector, provided that the cost of dwelling unit does not exceed Rs. 35 lakh and Rs. 25 lakh, respectively. To give a fillip to low-cost housing for the Economically Weaker Sections (EWS) and Low Income Groups (LIG), the housing loan limits for eligibility under priority sector lending have been revised to Rs. 35 lakh in metropolitan centres, and Rs. 25 lakh in other centres with certain conditions. Further, there is provision of loan for construction of house for EWS and LIG wherein the total cost of house does not exceed Rs 10 lakh provided the family income limit is Rs.2 lakh per annum. This income criteria has been revised to Rs. 3 lakh per annum for EWS and Rs. 6 lakh per annum for LIG.

The Government of India extends bank loans to Economically Weaker Section (EWS) under various schemes. Some of the schemes of Government for EWS are as under:

- I. In pursuance of the Government vision of facilitating housing to all by 2022 Government has launched Pradhan Mantri Awas Yojana – Urban (PMAY-U) mission on 25.06.2015. The mission aims to provide assistance to all States/UTs in addressing the housing requirement of urban poor including EWS/ LIG.
- II. Under the Credit Linked Subsidy Scheme (CLSS) for EWS/ LIG component of PMAY-U an interest subsidy of 6.5% for EWS / LIG, calculated on Housing Loan up to Rs. 6 lakh over a tenure of 20 years is provided by the Government.
- III. All Scheduled Commercial Banks have adopted and implemented the IBA Model Educational Loan Scheme for pursuing higher education in India and abroad. The scheme is applicable uniformly to all students' borrowers including students belonging to weaker sections. However, for the students belonging to EWS whose parental/family income is upto Rs 4.50 Lakh, an Interest Subsidy Scheme, namely Central Sector Interest Subsidy Scheme (CSIS), is operational under which full interest subsidy, on educational loans upto Rs 7.50 lakh, is available during the period of moratorium on loans availed under the Indian Banks' Association (IBA) Model Education Loan Scheme from Scheduled Banks. CSIS scheme benefits all categories of economically weaker students for pursuing professional/ technical courses in India and intends to provide affordable higher education.

This was stated by the Union Minister of Finance & Corporate Affairs, Smt. Nirmala Sitharaman in a written reply to a Parliament Question in Rajya Sabha today.

\*\*\*

**DSM/RM/PD**