



PRESS RELEASE

INDIA'S AFFORDABLE HOME BUYERS LOW ON AWARENESS ABOUT PMAY SCHEME: BASIC HOME LOAN SURVEY

New Delhi, 26th March: Despite the Government extending tax benefits for the affordable housing segment in the recent Budget, over 46% of the existing homebuyers in this category have been found ignorant of the Pradhan Mantri Awas Yojana (PMAY) scheme.

These are findings of BASIC Home Loan's first ever survey to gauge the homebuyers' understanding of PMAY, a program launched by the Government to deliver "Housing for All by 2022" in India. The awareness survey included over 1,000 affordable housing loan customers who availed finance in the last nine months.

The survey results of BASIC Home Loan, a fintech startup for automated home loans for middle and low-income households in India, reflect the wide chasm between reality and the general understanding of this scheme, aiming to provide a dignified home for all.

Under 17% of respondents were found to be aware of Rs 2.67 lakh being the maximum subsidy amount available under PMAY. Even the issue of mandatory women's ownership to avail of PMAY benefits lacked clarity. Only 48% of the respondents knew that EWS and LIG home buyers are priority consumers covered under this.

The maximum loan tenure of 20 years under PMAY was misunderstood to stand at 30 years by almost half the respondents of the survey. Only 37% of the participants answered this question accurately.

Indira Awaas Yojana (IAY) in 2015 was repackaged as Pradhan Mantri Awaas Yojana (PMAY). The renewed scheme has extended affordable housing loans to include first-time homeowners in urban India from rural homeowners.

Atul Monga, CEO of BASIC Home Loan believes that the eligible beneficiaries for PMAY should get the benefits by default, instead of going through the process of filling another application with the lender. "It has been six years since the scheme has been announced. Since then there has been inclusion of two additional categories, yet the eligible population still lacks basic clarity around this scheme. The lenders, government and the ensuing ecosystem need to take up more responsibility to build awareness and purposeful education around it," he said.

On why this awareness gap about the affordable loans scheme is important to

address, Monga further said that an accurate understanding of the scheme can ease the housing woes for millions of urban and rural first-time house owners. "The issue of awareness is pressing especially in the urban areas given the impending deadline for the MIG I and II categories (found mostly in the urban areas). This limited-time offer combined with the paucity of urban-housing, gauged at 3.41 crore by 2022, makes awareness about PMAY a very pressing issue."

First-time female homeowners' eligibility to avail the benefits of PMAY is put to doubt in the light of their changed civil status. Do PMAY benefits for female applicants get invalidated post marriage, as household income changes? These grey zones challenge the common person's perception of the scheme.

The new 2021 version of the PMAY scheme with new features and two additional categories, namely MIG I and MIG II (mid-income group I &II), have been granted a deadline extension for up to 31st March 2021. For the existing LIG and EWS categories, the deadline extends to 31st March 2022.

About BASIC Home Loan

BASIC Home Loan, a Gurugram-based startup developing a platform for automating home loans for middle and low-income households in India, has raised a \$500,000 Seed round from Picus Capital, a Germany-based early-stage technology investment firm.

Founded in 2020, Basic Home Loan is a fintech company, developing an automated platform for home loan lending in India. It aims to provide consumers with end to end fulfillment, through technology for faster loan disbursements. The company's vision is to change the way Bharat (India) finances its affordable homes.

The startup has been Co-founded by Atul Monga, Kalyan Josyula and Pranav Khattar. The trio carry experience of building ventures in the fintech space, and have worked with companies such as Policybazaar, Ola, Lazada, Credit Suisse, HDFC Life, and Wadi.com in the past.

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