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FOR IMMEDIATE RELEASE

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Housing loan subsidy made available through Pradhan Mantri Awas Yojana's Credit Linked Subsidy Scheme - effectively MHFC rate now starts at 5.5% p.a

Mumbai, India – Micro Housing Finance Corporation (“MHFC”), a housing finance company that is focused on providing housing loans to financially excluded urban lower income families, has announced that a subsidy on loans will be made available to eligible customers through the Pradhan Mantri Awas Yojana's Credit Linked Subsidy Scheme (“CLSS”), which has effectively reduced its interest rate on home loans to start at 5.5% p.a. In a further benefit to the customer, there will be no processing fees on such home loans as well.

The Pradhan Mantri Awas Yojna (“PMAY” or “Housing for All”) mission was introduced by the Government on June 25, 2015 and seeks to address the housing requirement of the urban poor (including slum dwellers) through 4 programme verticals: “In situ” slum redevelopment, affordable housing through credit linked subsidy, affordable housing in partnership and subsidy for beneficiary-led individual house construction. Beneficiary families can take advantage under only one of the four verticals of the mission.

Customers who are eligible under CLSS will receive an interest rate subsidy of 6.5% for a loan tenor of 15 years or during the sanctioned tenor of the loan, whichever is lower. The subsidy will be calculated on a maximum loan amount of Rs. 6 lakh, which effectively means that customers can be expected to receive a subsidy of upto Rs. 2.2 lakh. The amount will be credited upfront to the loan account of the customer through MHFC, thereby resulting in a reduction in the outstanding loan amount.

To qualify under CLSS, beneficiary families would have to be categorized under Economically Weaker Section (“EWS”) or Low Income Group (“LIG”) for which the family's household income would have to be less than Rs. 3 lakh a year and Rs. 6 lakh a year respectively. Additionally, the house being purchased for which the subsidy is being claimed should have at least one woman owner. No member from the beneficiary family should own a pucca home anywhere in the country in order to qualify under this scheme.

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According to Madhusudhan Menon, Chairman of MHFC, “CLSS substantially reduces the cost of home ownership in the EWS and LIG segments and we are excited at the opportunity to work with the Government agencies and NHB who are involved in rolling out this scheme. We believe that most of our customers would qualify for the scheme, since MHFC has a sole focus of helping lower income, financially excluded families own their first home.”

To find out more about MHFC loans and PMO India's subsidy scheme & eligibility requirements, please reach out to us at contact@mhfcindia.com.

Notes to the Editor

ABOUT MICRO HOUSING FINANCE CORPORATION: *MHFC is a housing finance company headquartered in Mumbai, India, focused on serving lower income groups in urban areas, specifically those in the informal sector. MHFC, through this initiative, seeks to efficiently and sustainably enable access to housing finance services to the underserved and un-served segments of the urban population. For more information on MHFC, please visit <http://www.mhfcindia.com>.*

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