Dear Sir/ Madam,

Priority Sector Lending – Targets and Classification


2. In terms of the above Master Direction, loans to individuals up to ₹ 28 lakh in metropolitan centres (with population of ten lakh and above) and ₹ 20 lakh in other centres, are eligible to be classified under priority sector, provided that the cost of dwelling unit does not exceed ₹ 35 lakh and ₹ 25 lakh, respectively.

3. With a view to bringing convergence of the Priority Sector Lending guidelines for housing loans with the Affordable Housing Scheme, and to give a fillip to low-cost housing for the Economically Weaker Sections and Low Income Groups, the housing loan limits for eligibility under priority sector lending will be revised to ₹ 35 lakh in metropolitan centres (with population of ten lakh and above), and ₹ 25 lakh in other centres, provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed ₹ 45 lakh and ₹ 30 lakh, respectively.

4. Furthermore, the existing family income limit of ₹ 2 lakh per annum, prescribed under Para 10.4 of the above Master Direction, for loans to housing projects exclusively for the purpose of construction of houses for Economically Weaker Sections (EWS) and Low Income Groups (LIG), is revised to ₹ 3 lakh per annum for EWS and ₹ 6 lakh per annum for LIG, in alignment with the income criteria specified under the Pradhan Mantri Awas Yojana.

5. All other terms and conditions specified under the Master Direction shall remain unchanged. Master Direction ibid, is being updated simultaneously to reflect the above changes.
6. The revised guidelines shall come into effect from the date of the Circular.

Yours faithfully,

(Gautam Prasad Borah)
Chief General Manager-in-Charge