



FAQs on HUDCO

Q 1. What is HUDCO?

Ans Housing and Urban Development Corporation Ltd (HUDCO), the premier techno-financing public sector enterprise, in the field of housing and infrastructure development in our country, was incorporated on 25th April 1970, as a fully owned enterprise of the Government of India under the Companies Act 1956. HUDCO has an authorized capital of Rs 2,500 crore and a paid-up capital of Rs. 2,001.90 crore.

On 19th May, 2017, Government of India has disinvested shareholding in HUDCO to the extent of 10.193% by listing HUDCO equity on NSE and BSE, and further disinvested another 8% of shareholding during July, 2021 through offer for sale.

Having Head office in New Delhi, HUDCO operates through a strong and multi-disciplinary work force placed over its nationwide network of Regional and Development offices all over India. HUDCO was upgraded to a Schedule-A Public Sector Enterprise in 2002 and was also conferred the Mini-Ratna status in 2004.

Q 2. What are HUDCO's Main Objects?

The Company is established:

- to provide long term finance for construction of houses for residential purposes or finance or undertake housing and urban development programs in the country;
- to finance or undertake, wholly or partly, the setting up of new or satellite towns;
- to subscribe to the debentures and bonds to be issued by the State Housing (and/ or Urban Development) Boards, Improvement Trusts, Development Authorities etc., specifically, for the purpose of financing housing and urban development programs.
- to finance or undertake the setting up of industrial enterprises of building material;
- to administer the moneys received, from time to time, from the Government of India and other sources as grants or otherwise for the purposes of financing or undertaking housing and urban development programs in the country (and);
- to promote, establish, assist, collaborate and provide consultancy services for the projects of designing and planning of works relating to Housing and Urban Development programs in India and abroad;
- to undertake business of Venture Capital Fund in Housing and Urban Development Sectors facilitating Innovations in these sectors and invest in and/or subscribe to the units/shares etc. of Venture Capital Funds promoted by Government/Government Agencies in the above areas;
- to set up HUDCO's own Mutual Fund for the purpose of Housing and Urban Development programs and/or invest in, and/or subscribe to the units etc. of Mutual Funds, promoted by the Government/Government Agencies for the above purpose.

Q 3. What is its Mission?

Ans. To promote sustainable habitat development to enhance quality of life.

Q 4. What is its Vision?

Ans. To be a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people.

Q 5. Is HUDCO a Housing Finance Company (HFC) and if so, who is the regulator of HUDCO?

Ans. Yes, HUDCO was registered as HFC with NHB the then regulator. Pursuant to Finance Act 2019 thereby shifting the power to Govern HFC from NHB to RBI. RBI on 22.10.2020, issued the New Regulatory Framework of HFCs.

Due to recent changes in RBI Revised Regulatory Frameworks for NBFCs a study has been carried out to examine existing & revised regulatory framework as applicable to HUDCO. Considering the HUDCO's existing business model and future growth prospects, the Tier-I Committee constituted by HUDCO, has recommended HUDCO to register as NBFC-IFC with RBI. The same is under process.

Q 6. Is HUDCO an ISO certified institution?

Ans. Yes, HUDCO has received ISO 9001:2015 certification for quality management, for the full range of its activities covering project and retail financing services, resource mobilization for funding, consultancy and joint ventures and, training, research and networking in humansettlement planning & management. This certification has been received from BVQI.

Q 7. What is the status of HUDCO as a PSU?

Ans. HUDCO is a Mini Ratna, Schedule – 'A' PSU.

Q 8. What is the Structure of HUDCO Employees?

Ans. The Structure of HUDCO employees is as follows:

Level
CMD
Director
Sr. Executive Director (E9)
Executive Director (E-8)
General Manager (E-7)
Jt. General Manager (E-6)
Dy.General Manager (E-5)
Asst.General Manager (E-4)
Sr.Manager (E-3)
Manager (E-2)
Dy.Manager (E-1)
Asst.Manager (E-0)
Asst.Grade Gr – I (NE-5)
Asst.Grade Gr – II (NE-4)
Asst.Grade Gr – III (NE-3)
Attendant Farash (SG) (NE-2)
Attendant Farash (NE-1)

Q 9. What is the retirement age of HUDCO employees?

Ans. The retirement age of HUDCO employees is 60 years.

Q 10. What is the Resource Base of HUDCO?

Ans. HUDCO was established with an equity base of Rs. 2 crores. Over the years, the equity base has been expanded by the Government. The present authorized capital base of HUDCO is Rs. 2500 crores and paid up capital is Rs. 2001.90 crores. For latest updates please refer to HUDCO website www.hudco.org.in

Q 11. What are the Programmes of HUDCO?

Ans. HUDCO extends assistance benefiting the masses in urban and rural areas under a broad spectrum of programmes as listed below:

HOUSING FINANCE:

- Social housing – EWS & LIG in rural & urban areas of the country
- Housing for MIG & HIG
- Rental housing for employees by govt. and public agencies
- Land acquisition by govt. & public sector agencies for housing agencies
- Individual Housing Loans

URBAN INFRASTRUCTURE FINANCE:

- Water Supply, Sewerage, Drainage, Solid Waste Management & other city-level utility infrastructure
- Roads & Transport (flyovers, metro rail, airport, bus terminals, parking complex and expressways)
- Social Infrastructure – schools, hospitals, sports complex, Commercial Complex, Multiplex etc.
- Emerging Sector - IT Parks, expressways, Power, Telecom etc.

CONSULTANCY SERVICES:

- Architecture Urban design
- Landscape
- Urban & Regional Planning Interior design

TRAINING:

- Capacity building of professionals in housing & urban development sector through its training & research arm – Human Settlements & Management Institute

- Supports research in urban sector through research grants
- In house employee's capacity building programme, training in HSMI, IIM, NIBM etc.

Q 12. Who are the eligible borrowers for HUDCO loan assistance?

Ans. Eligible borrowers are:

1. State level financing institutions / Corporations
2. Water Supply and Sewerage Boards
3. Development Authorities
4. State functional borrowers for housing & urban development
5. New town development borrowers
6. Regional planning boards
7. Improvement trusts
8. Municipal corporations / councils
9. Joint sector companies
10. Cooperative societies / trusts
11. NGOs
12. Private companies/borrowers including BOT operators, concessionaires

Q 13. What are the various categories of projects under Housing Finance?

Ans. All types of Housing projects include:

1. Rural Housing
2. Urban Housing
3. Co-operative Housing
4. Community Toilets
5. Slum Upgradation
6. Staff Housing including Police Housing
7. Repairs and Renewal
8. Housing by NGOs
9. Private Sector Housing
10. Takeout finance
11. Land Acquisition cum Construction schemes

Real Estate such as Malls, Market Complex, Office Complex, IT Parks, Hotels, Resorts, Entertainment, SEZ, Spa, Health Club, Wellness Centres.

Q 14. What type of projects are eligible for HUDCO finance in Infrastructure sector?

Ans. Construction, Augmentation and Improvement of the following:

1. Water Supply Projects
2. Sewerage and Drainage

3. Solid Waste Management
4. Low Cost Sanitation
5. Integrated Area Development Schemes
6. Social Infrastructure
7. Transportation – Roads, Bridges, Bus terminals, Ports, Airports etc.
8. Commercial / Economic Infrastructure
9. Power – Generation, Transmission and Distribution
10. Industrial and Business Infrastructure – SEZ, Warehouses etc.
11. Information / Communication / Entertainment (ICE)
12. Telecom
13. Ecologically Appropriate Infrastructure Projects

Q 15. Does HUDCO fund for land acquisition?

Ans. As per existing guidelines of land acquisition the security for Land Acquisition scheme shall only be Govt. Guarantee supported with repayment through Budgetary Provision.

Q 16. What is the procedure to avail the project loan from HUDCO?

Ans. The borrower is required to submit the loan application in the prescribed format along with the required documents to the nearest HUDCO office. The prescribed application form can be downloaded from HUDCO website: www.hudco.org.in

Q 17. What is HUDCO's rate of interest?

Ans. HUDCO's rate of interest depends on type of projects, category of borrower, rating of borrower. For details, please refer to HUDCO website www.hudco.org.in

Q 18. Is there any rebate available in rate of interest?

Ans. There are certain rebates, which depends on quantum of loan, securities offered, rating of borrower etc. For details, please refer to HUDCO website i.e. www.hudco.org.in

Q 19. What is the loan application fee and front-end-fee of HUDCO?

Ans. Loan application fee and front-end-fee are exempted for all new schemes.

Q 20. To what extent HUDCO can finance?

Ans. i) Govt. Borrowers:

The loan amount for a project may be financed up to 90% of the project cost.

ii) Private Sector Borrower

Loan amount may be upto 66% of project cost subject to maximum of 15% of NOF of HUDCO for a

project/ SPV and upto 25% of NOF of HUDCO to group companies. Loan amount more than 100.00 crores will normally be sanctioned on consortium basis and a higher debt – equity ratio may also be considered in line with the lead lender. For NOF of HUDCO, please refer to its latest balance sheet available on the website www.hudco.org.in

Q 21. Whether HUDCO provides financial assistance on Consortium basis?

Ans. Yes, as per prevailing HUDCO guidelines.

Q 22. Whether HUDCO provides services as lead lender/ loan syndication?

Ans. Yes, as per prevailing HUDCO guidelines.

Q 23. Is there any commitment charge for undrawn HUDCO loan?

Ans. No, there is no commitment charges so far for undrawn HUDCO loan.

Q 24. What are types of rates offered by HUDCO?

Ans. HUDCO provides Fixed rate of interest (3 year and 1 year) for new schemes.

(Please refer financing pattern available at the website www.hudco.org.in)

Q 25. What is the minimum tenure of HUDCO loan?

Ans. 5 years.

Q 26. What is the maximum tenure of HUDCO loan?

Ans. HUDCO may provide loan up to a maximum tenure of 17.5 year with 15 years repayment period.

Q 27. What are the repayment options available for HUDCO loan?

Ans. 1. Monthly

2. Quarterly

3. Half-yearly

4. Yearly.

(For S.No. 3 & 4, the interest shall be calculated on quarterly basis)

Q 28. Whether take out finance is available in HUDCO?

Ans. Take out finance is available as per the applicable guidelines for take-out finance. Please contact the respective Regional Office, whose address and telephone nos. are available at the website.

Q 29. Where can a borrower submit its proposal to apply for loan to HUDCO?

Ans. All the scheme proposals are normally accepted at regional offices of HUDCO having geographical jurisdiction of the project. However, on specific request of the borrower, the proposal may be accepted by any other Regional Office/ Corporate Office as well.

Q 30. Who is the first point of contact when applying for a loan from HUDCO?

Ans. For acceptance and registering the Loan application, a Customer Relationship Officer (CRO) is available at all Regional Offices. The CRO is responsible for facilitating receipt of all project proposals within prescribed guidelines of HUDCO and ensuring availability of complete set of documents/ information required for determining eligibility and registration of schemes.

Q 31. What are the securities that Borrowers can submit for availing loan from HUDCO?

Ans. State government guarantees/ Bank Guarantees/ Equitable mortgage of land and buildings/ Hypothecation of movable and immovable assets/ assignment of rights/ corporate guarantee/ personal guarantee etc. However, the security would depend on the risk involved in the project.

Q 32. What is the main security for project loan?

Ans. i) Govt. Agencies: Government guarantee or Bank guarantee or mortgage of project properties.
ii) Private Agencies: Mortgage and Hypothecation of project properties.

Q 33. What is the main security, if some infrastructure project is taken up on BOT concept?

Ans. Mortgage of project properties is the main security for any type of projects. However, in BOT projects, if mortgage of project properties is not possible/ enforceable/ permissible then loan can also be secured by assignment of project contracts, license, permits, insurance policies, consents, approvals, concessions etc., Assignment of contractual rights, security rights, actionable claims, charge on TRA / Escrow and Hypothecation of Moveable Properties.

Q 34. What will be Security Coverage Ratio?

Ans. The minimum-security coverage during the currency of loan should not be less than 125% for Govt. Agencies and 150% for Private Sector Agencies of total outstanding loan amount at any point of time.

Q 35. Who will bear the cost of Stamp Duty/Registration etc. for loan documentation?

Ans. Borrowing Agency

Q 36. What are the Consultancy Services provided by HUDCO?

Ans. HUDCO has developed proficiency in design and consultancy services and have provided its services in the following areas:

- Architectural designs and detailed working drawings,
- Structural design, project estimates, Design of internal and external services, Landscape planning and design,
- Preparation of project reports and feasibility studies for housing, urban and regional planning Issues.
- Waste management projects
- Preparation of City Development Plans (CDPs), Master Plans etc.

Q 37. What efforts are being made by HUDCO in disaster hit areas?

Ans. HUDCO had provided its technological support in the disaster-hit areas. Pamphlets and books on Do's & Dont's on construction of houses and related matters had been distributed. Demonstration projects like Model Village & Model Basti were constructed as part of the Model Village & Model Basti schemes were executed by HUDCO.

Q 38. Whether HUDCO's financial assistance is available for Government of India Action Plan schemes?

Ans. Yes, State Government share/ ULB share may be considered for finance as per respective guidelines.

Q 39. Does HUDCO accept Public Deposit?

Ans. No, HUDCO had discontinued acceptance/renewal of deposits w.e.f. 01.07.2019

Q 40. What HUDCO is doing for promoting cost effective building materials and technologies for Urban/Rural housing?

Ans. HUDCO contributes in promotion of appropriate, cost effective, building material and technologies for use in Housing and Infrastructure sector at grass root level through the National Network of building centres a scheme of MoHUA, Govt of India. The building centres promote innovative, cost effective, durable and aesthetic operations brought out by National level Research Development bodies such as CBRI. SERC, NEERI, RRLs, ASTRA, CSR, DA, INSWAREB, CSV and other state level institutions and work done by Laurie Baker.

Q 41. What is Housing for All (HFA), its objectives and scope?

Ans. HFA is a program launched by the Ministry of Housing and Urban Affairs (MoHUA), in Mission mode which envisions provision of Housing for All by 2022 when the Nation completes 75 years of its Independence. The Mission seeks to address the housing requirement of urban poor including slum dwellers through following program verticals:

- I. Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource
- II. Promotion of Affordable Housing for weaker section through credit linked subsidy
- III. Affordable Housing in Partnership with Public & Private sectors
- IV. Subsidy for beneficiary-led individual house construction

Q 42. What is CLSS?

Ans. Credit Linked Subsidy Scheme (CLSS), is one of the components of Pradhan Mantra Awas Yojana - Urban (PMAY-U). Under PMAY(U)-CLSS, Government of India provides interest subsidy of 6.5% on housing loans upto maximum of Rs. 6.00 Lakh, availed from Banks/HFCs, by the beneficiaries belonging to EWS and LIG categories with annual household income upto Rs.3.00 Lakh and Rs.3.00 – Rs.6.00 Lakh respectively. The benefit for EWS/LIG beneficiaries under CLSS works out to maximum of Rs. 2.67 Lakh over a loan of Rs. 6 lakh having period of 20 years. The said scheme is effective from 17th June, 2015.

Q 43. What is the role of HUDCO as a CNA?

Ans. HUDCO has been nominated by the Ministry of Housing & Urban Affairs, Govt. of India as one of the Central Nodal Agency (CNA). The role of CNAs involves channelizing the Central Subsidy to the EWS/LIG/MIG beneficiaries of various Banks/PLIs with whom HUDCO has executed Memorandum of Understanding (MoU) under the Credit Linked Subsidy Scheme component of the PMAY(U) programme.