CREDIT ENHANCEMENT INITIATIVE

UNDER AMRUT 2.0

ULBs with a population less than one lakh as per projected population for the year 2021

OBJECTIVES

- To Enhance the creditworthiness of Urban Local Bodies (ULBs)
- Encouraging borrowings from formal financial institutions

Eligible Lending Institutions

- Any Nationalized Bank, Non-Banking Financial Company (NBFC) or any designated agencies .

Eligible Projects

- Infrastructure interventions in universal water supply
- Sanitation and sewerage management
- Rejuvenation of water bodies and development of green spaces
- Other urban infrastructure/services projects
- All proposed projects must be bankable
- The durationof the project shall not be more than 10 years
- Any PPP projects for urban infrastructure

Role of HUDCO

- Nodal agency and implementation partner for Credit Guarantee Fund
- Management of the fund, processing guarantee claims, and providing end-to-end implementation support.
- Hand holding support to States/ULBs through capacity building programme and technical advisory services
- To provide loan as financial Institution

Credit Guarantee Fund

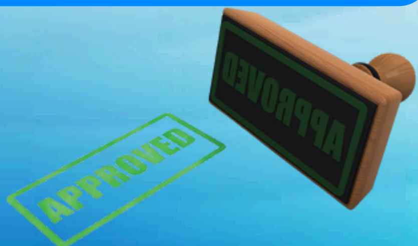
- Fund outlay Rs.300 Crore.
- Additional fund of Rs. 25 crore for capacity building
- Credit guarantee service limited to 5 years.

Extent of Finance

- 80% of the total project cost, in exceptional cases 85%.
- The guarantee cover 60% of loan amount or up to Rs. 5 crore., whichever is lower.
- State Government guarantee shall not be needed.

Project Approval Process

- Proposal must be submitted and approved by the State-Level Nodal Agency (SLNA)/ State High Powered Steering Committee (SHPSC)
- Once approved by the SLNA, to be pitched to the lending agencies for sanction of loan, as per lender' policy, through the designated online platform to be developed by MoHUA.
- Upon approval of MoHUA, HUDCO to be duly informed for necessary action as a Credit Guarantee Partner.



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