

## NATIONAL URBAN LIVELIHOOD MISSION (NULM)

**Background** : The Ministry of Housing & Urban Poverty Alleviation, GoI has introduced National Urban Livelihood Mission by replacing existing Swarna Jayanti Shahari Rojgar Yojana (SJSRY) effective from 24.09.2014

Existing provision of capital subsidy is replaced with interest subsidy. Further the scheme will function under three Self Employment Programmes namely:

- Loans to Individuals (SEP-I)
- Loans to Group Enterprises (SEP-G)
- Loans to Self Help Groups (SEP-SHG)

### A. Individual Enterprises (SEP-I)

**Eligibility** : Urban poor desirous of setting micro enterprises  
**Age** : Attained the age of 18 years  
**Project cost** : Maximum Rs. 2 lacs  
**Collateral** : Nil. Eligible units should be covered under CGTMSE scheme  
**Repayment** : 5 - 7 years with moratorium of 6 - 18 months as per bank's norms  
**Sponsored by** : Urban Local Bodies (ULB)  
**Interest subsidy** : a) Loan should be charged at 7%.  
b) The difference between 7% rate of interest and prevailing rate of interest will be provided to banks under this scheme.

### B. Group Enterprises (SEP- G)

**Eligibility** : Minimum 5 members with minimum of 70% of members should be from urban poor families  
**Age** : All members should have attained age of 18 years  
**Project cost** : Maximum Rs.10.00 lacs  
**Margin** : As per bank's norms  
**Collateral** : Nil. Eligible units should be covered under CGTMSE scheme  
**Repayment** : 5 - 7 years with moratorium of 6 - 18 months as per bank's norms  
**Sponsored by** : Urban Local Bodies (ULB)  
**Interest subsidy** : a) Loan should be charged at 7%.  
b) The difference between 7% rate of interest and prevailing rate of interest will be provided to banks under this scheme.

### C. Self help Groups (SEP-SHG)

**Norms** : As applicable to SHGs and as per RBI master circular  
**Interest subsidy** : a) Loan should be charged at 7%.  
b) The difference between 7% rate of interest and prevailing rate of interest will be provided to banks under this scheme.  
**Additional subvention** : 3% should be provided to those who repay in time.  
**Prompt payment guidelines- (CC account)** : a) Outstanding balance should not have remained in excess of sanctioned limit/drawing power for more than 30 days  
b) There should be regular credits and debits.  
c) At least one credit should be one customer induced credit.  
d) Credits should be sufficient to cover the interest debited during the month  
**Prompt payment guidelines- (Term loan account)** : Accounts where all of the interest and/or installments were paid within 30 days of the due date during the entire tenure of the loans