



# “Changes in Eligibility Criteria of Pradhan Mantri Awas Yojana: A Policy Timeline and Impact Assessment”

**NAME OF THE AUTHOR: - Neeraj Arya<sup>1</sup>**

**AFFILIATION AND DESIGNATION: -Junior Research Fellow, IMS DAVV Indore.**

**NAME OF THE CO-AUTHOR:- DR. Bharti Arya<sup>2</sup>**

**NAME OF THE CO-AUTHOR:- DR. Maneesh Kant Arya<sup>3</sup>**

**AFFILIATION AND DESIGNATION :- PROFESSOR, IMS DAVV Indore**

## **Abstract**

Pradhan Mantri Awas Yojana (PMAY), started in 2015, is the flagship Indian government program that focuses on building affordable all weather pucca houses to the country's poor, low-middle-income urban and rural households of the country with the vision of 'Housing for All'. The criteria for being eligible for PMAY have altered over time, in part to widen coverage, improve accessibility, reduce exclusion errors, and address implementing challenges. The paper contains a detailed timeline of policy changes in PMAY eligibility criteria (both urban and rural), studies the rationales for these changes, and assesses the potential and actual effects on the communities being targeted. Using policy papers, government reports, and secondary literature, we evaluate how eligibility revisions affect coverage, equity, and mission results, as well as identify unresolved problems.

## **Introduction**

Affordable housing is a key element of inclusive development, and in India, the Housing for All mission has placed the Pradhan Mantri Awas Yojana (PMAY) on this agenda. Since its launch in June 2015, PMAY has had two major verticals: PMAY-Urban (PMAY-U) and PMAY-Gramin (PMAY-G). The eligibility requirements for beneficiaries are income, ownership, assets. They play an important role in determining who receives benefits. The policy has evolved over time to reflect ground realities, developing obstacles, and lessons learned during implementation. Analysing how eligibility requirements have changed and the effects of such changes is critical for assessing policy efficacy and advising on future improvements.

This paper focuses on the following research questions:

1. What changes were made in eligibility criteria for PMAY (urban and rural) since its launch?
2. What are the policy rationales for these changes?
3. How have these modifications impacted inclusion, equity, and scheme performance?
4. What challenges persist, and how can policy lessons be applied for future reform?

## Literature review

### Overview and baseline rules (2015 launch).

Pradhan Mantri Awas Yojana was launched in June 2015 with the objective of “Housing for All” by providing central assistance to eligible households under verticals covering slum redevelopment, credit-linked subsidy and beneficiary-led individual house construction. From the start, eligibility centered on two interlinked rules: (a) the beneficiary household must not own a “pucca” house anywhere in India; and (b) household-level income/room-size/asset parameters as specified in the operational guidelines determined access to different components. These core rules were codified in the original operational guidelines and subsequent consolidated guideline documents.

### Reliance on SECC-2011 and the 13-point exclusion framework.

Beneficiary identification for PMAY-G and many PMAY processes used the Socio-Economic and Caste Census 2011 database as the primary universe for eligible households, together with a 13-point exclusion checklist. This reliance on SECC-2011—a census that is not updated frequently—formed the technical backbone of eligibility but also generated concerns about outdated records and enumeration errors.

### Key formal changes over time (guideline revisions and PMAY-U 2.0).

Since 2015 the Ministry of Housing & Urban Affairs and implementing agencies have issued multiple amendments to operational rules to reflect implementation learning — these updates modified documentation norms, clarified the “single-house” rule, refined income-based verticals, and introduced new mechanisms for beneficiary verification and quality monitoring. In September 2024 the government launched PMAY-U 2.0, a refreshed 5-year urban program that updated scope, financing and implementation modalities while retaining the core eligibility principle but adding new implementation tools. These formal guideline revisions are the canonical source for tracing eligibility changes.

### Administrative refinements: automatic exclusions, verification and appeals.

To tighten targeting, authorities periodically introduced administrative refinements such as automated exclusion checks (to screen out households with assets/income above thresholds) and strengthened Gram Sabha verification plus appellate procedures. A December 2024 PIB notice, publicized tightened “automatic exclusion criteria” for PMAY-G to reduce erroneous inclusion of ineligible households. These administrative modifications represent shifts in operational eligibility but materially affect who eventually receives benefits.

### Empirical evidence on targeting, inclusion/exclusion errors, and impacts.

Independent and government-commissioned evaluations have documented persistent targeting problems and mixed impacts:

- **Inclusion/exclusion errors & data staleness:** Multiple evaluation highlight that dependence on SECC-2011 and local enumeration has produced both inclusion errors and exclusion errors, driven by outdated data, enumeration mistakes, and local capture in verification stages. Studies recommend periodic updating of beneficiary lists and stronger grievance processes.
- **Impact assessments and welfare outcomes:** NIRDPR and other state-level assessments show that houses provided under PMAY-G and PMAY-U improved physical housing conditions and some associated welfare measures, but also document heterogeneity beneficiaries often supplemented government assistance with informal borrowing or their own labor in some cases house construction stalled due to land or liquidity constraints. These impact studies underline that eligibility, timely fund flow, land availability jointly determine realized outcomes.
- **Implementation failures and fraud cases:** News investigations and administrative audits since scheme inception reveal instances of fraud, misuse, and administrative actions including recovery drives and delistings have been reported. Such findings underscore the practical consequences of weak verification and the operational importance of tightening eligibility enforcement.

### Scholarly critiques and methodological notes.

Academic critiques emphasize that changes in administrative eligibility often have larger distributional consequences than nominal changes in policy text. Several scholars note methodological problems in evaluation literature like small geographic samples, reliance on self-reported outcomes, and limited counterfactuals which complicate causal attribution of housing and welfare effects to eligibility changes alone.

At the same time, government evaluations and independent think-tank reports have contributed the most robust evidence base to date.

Over the last decade PMAY's formal eligibility has been remarkably stable, but operational eligibility who actually receives benefits has changed through guideline revisions, automated exclusion checks, and verification procedures. Empirical work shows these operational changes matter as they interact with outdated data, local verification quality, and implementation capacity to produce both inclusion and exclusion errors, heterogeneous welfare impacts, and periodic cases of misuse. Policy and research attention should therefore emphasize on updating beneficiary databases, evaluating the accuracy and equity of automated exclusion rules, improving transparency and appeals so that formal eligibility rules translate into equitable outcomes.

## Methodology

This research is based on a qualitative policy analysis, based on:

- Official documents including Government guidelines, Standard Operating Procedures and implementation manuals.
- Ministry of Housing & Urban Affairs portal and PMAY MIS data.
- Press coverage
- Secondary literature on housing policy, urban/rural development, and social inclusion.

We construct a policy timeline that maps the key dates when eligibility criteria were changed. We analyse the rationales behind these changes by examining public statements and policy documents. Finally, we evaluate the impact of these changes by estimating or reporting their effects, such as coverage numbers, extension of deadlines, or increased uptake.

## Policy Timeline of Eligibility Changes

Here we have mentioned the major changes in eligibility criteria over time.

1. **2015 - Scheme Launched**
  - The initial PMAY-Urban guidelines (2016) laid down eligibility criteria in terms of income categories i.e. EWS, LIG, MIG, non-ownership of pucca house. (Ministry of Housing and Urban Affairs)
  - Initially Urban income group definitions allowed for subsidy under Credit-Linked Subsidy Scheme for EWS up to LIG to MIG groups.
2. **2024 - Relaxation of PMAY-G Exclusion Norms**
  - In September 2024, the Centre announced a relaxation of the “automatic exclusion” criteria under PMAY-Gramin. Households owning motorcycles, refrigerators, motorized fishing boats, or landline phones, previously excluded are now allowed to apply if their monthly income is up to 15,000. (Moneycontrol)
  - The following exclusion criteria remains same: ownership of motorised three/four-wheelers, mechanised agricultural equipment, Kisan Credit Card with a large limit, etc. (Indian Express)
  - Simultaneously, the scheme has been extended through March 2029 with an additional target of building 2 crore houses. (Outlook Money)
  - New monitoring and implementation measures like penalty regimes for delay in implementation, digital tools like Awaas Soft and Awaas SAKHI for beneficiary verification and other process. (Outlook Money)
3. **2024 - Introduction of PMAY-U 2.0**
  - The Union Cabinet approved PMAY-U 2.0 on 9 August 2024 with operationalization beginning on September 2024, to run until 2029. (www.narendramodi.in)
  - Eligibility under PMAY-U 2.0: Families belonging to EWS (annual income of ₹ 3 lakh or less), LIG (3 to 6 lakh), and MIG (6 to 9 lakh) with no pucca house in the name of any family member anywhere in India.
  - Beneficiaries who have received housing assistance under any government housing scheme in the last 20 years are ineligible.

- Certain vulnerable groups like widows, single women, SC/ST, persons with disabilities, transgender persons, slum dwellers etc. have been given preference. (PMAY-HFA)
  - Four verticals are introduced: Beneficiary-Led Construction, Affordable Housing in Partnership, Affordable Rental Housing, and Interest Subsidy Scheme. (PMAY-HFA)
  - Implementation-linked urban reforms: to avail benefits, States/UTs must implement certain reforms (e.g., stamp duty concessions, building plan approvals, land reservation) by specified deadlines. (PMAY-Urban)
  - Central assistance: the scheme provides up to ₹ 2.50 lakh per unit. (PMAY-HFA)
4. **2025 - Deadline Extension**
- The registration deadline for PMAY for both urban and rural has been extended to 31 December 2025. (Goodreturns)
  - This extension implies a re-evaluation of eligible households, so that they can get more time to apply and for implementing agencies to process their applications under the scheme.

## Rationale Behind Changes

Understanding why these eligibility criteria were modified is as important as documenting what changed. Following are key rationales:

1. **Improving Inclusion by Correcting Exclusion Errors**
  - The relaxation in PMAY-G (allowing two-wheelers, fridges, etc.) addresses over-stringent exclusion which likely left out genuinely needy households. The prior automatic exclusion for modest assets was criticized for being too harsh and misclassifying poor households as ineligible. (Indian Express)
  - By expanding the eligibility criteria, the government acknowledges asset ownership is not a perfect parameter for economic well-being in rural area.
2. **Extending the Mission Timeline**
  - The extension of both PMAY-G (to 2029) and PMAY-U (via 2.0) reflects a recognition that original timelines were overly ambitious or certain implementation bottlenecks slowed progress. (Outlook Money)
  - Longer duration allows for better reach, particularly for underserved or hard-to-reach segments in rural areas.
3. **Targeting Vulnerable and Marginalized Groups of Society**
  - The preference given under PMAY-U 2.0 (widows, SC/ST, transgender, slum dwellers, etc.) shows that policy will not only expand quantitatively but also enhance equity.
  - Focus on marginalized groups helps to align PMAY with broader social justice and inclusive development goal of the government.
4. **Learning from Past experience**
  - PMAY-U 2.0's four verticals build on the lessons from earlier implementation. For example, rental housing vertical reflects the need for flexible housing options, not just home ownership. (PMAY-HFA)
  - Requiring urban reforms like stamp duty reduction and land reservation ensures systemic changes to support affordable housing supply. (PMAY-Urban)
  - The 20-year exclusion for past beneficiaries may prevent duplication, reduce subsidy misallocation, and ensure resources go to new and needy households.
5. **Increasing Financial Support**
  - The central assistance of up to ₹ 2.50 lakh per unit in PMAY-U 2.0 reflects increased financial commitment, inflation and recognition of higher urban construction costs. (PMAY-HFA)

## Impact Assessment

Here, we assess the likely and observed impacts of the eligibility changes, along with challenges.

1. **Expanded Coverage**
  - Relaxing exclusion criteria in PMAY-G can significantly enlarge the beneficiary pool in rural areas, especially among households with modest assets. This could accelerate housing for more rural poor households.
  - The extension of scheme timelines up to 2029 ensures that more households can be included, especially those missed earlier due to strict eligibility criteria.
2. **Equity Gains**
  - The prioritization in PMAY-U 2.0 for vulnerable groups can lead to more inclusive distribution of housing assistance and reducing socio-economic disparities in home ownership in the country.
  - Inclusion of rental housing could benefit families who are unable or unwilling to take on home-construction, specially for urban poor households .
3. **Policy Efficiency and System Reforms**
  - Urban reform conditions like land reservation, building approval etc. can strengthen the affordable housing system in the cities, making future housing more.
  - Digital verification tools like AwaasSoft and AwaasSAKHI could reduce leakages, improve transparency, and ensure that eligible households are identified correctly.
4. **Risks and Challenges**
  - **Resource Strain:** Expanding eligibility criteria could overstretch existing financial and administrative capacity, risking quality compromises and beneficiary delays.
  - **Leakage & Inclusion Errors:** Relaxed asset-based exclusions may lead to inclusion of less needy households or fraud, unless verification is robust.
  - **Delayed Implementation:** Even with reforms, states may lag in meeting urban reform prerequisites, slowing the rollout of PMAY-U 2.0 benefits.
  - **20-Year Exclusion Debate:** The rule that those who benefited in the past 20 years cannot apply may exclude deserving low-income households who received only partial help or whose situations have changed due to rising family size, deteriorating economic condition etc.
  - **Monitoring and Evaluation Gaps:** There may be a lack of real-time, rigorous evaluation of whether the expanded criteria translate to improved housing outcomes.

## Recommendations

Based on the analysis, here are some recommendations:

1. **Strengthen Beneficiary Verification**
  - Use digital tools like mobile apps, geo-tagging, beneficiary photograph etc. to reduce inclusion errors and fraud.
  - Conduct periodic surveys especially in rural areas to identify households that may have been missed or wrongly excluded.
2. **Continuous Monitoring & Impact Evaluation**
  - Establish a robust monitoring framework to track not just sanctioned houses, but completed and occupied units, disaggregated by income group, social category, and geography.
  - Commission independent evaluations to assess whether eligibility reforms lead to meaningful welfare gains (asset value, quality of life, social mobility).
3. **State/UT Incentives for Reforms**
  - Encourage states to expedite urban reforms (e.g., building plan approvals, land reservation) by tying financial incentives or bonus sanctions to reform milestones.
  - Promote best-practice sharing among states (especially those that have successfully implemented verticals like rental housing).
4. **Flexible Assistance Models**
  - Expand the rental housing vertical further to include transitional housing, for migrant populations, etc.

- Consider phased subsidy disbursement linked to construction quality, sustainability (energy efficiency), and completion verification.
5. **Revisit the 20-Year Exclusion Rule**
- Conduct a review of the 20-year exclusion policy to assess whether it inadvertently excludes vulnerable households who need renewed support.
  - Introduce a grace clause or means-testing for previously assisted households whose economic or housing circumstances may have worsened.

## Conclusion

The evolution of eligibility criteria in PMAY over the past decade reflects a learning-oriented, adaptive policymaking process. The government has attempted to balance fiscal sustainability, fairness, and scale by refining who qualifies, how they are prioritized, and under what conditions. While the recent reforms (PMAY-G relaxations and the launch of PMAY-U 2.0) are promising, their success will hinge critically on effective implementation, robust monitoring, and targeted evaluation.

If executed well, these changes could significantly broaden housing access, especially among marginalized and previously excluded groups, thus advancing the *Housing for All* mission. However, policymakers must remain vigilant against risks of resource strain, inclusion errors, and slow state-level reform implementation.

## References

- Ministry of Housing and Urban Affairs. (2016). *Pradhan Mantri Awas Yojana (Urban): Housing for All—Mission guidelines*. Government of India.
- Ministry of Housing and Urban Affairs. (2024). *Operational guidelines: PMAY–Urban 2.0 (2024–2029)*. Government of India.
- Ministry of Rural Development. (2024). *Revised automatic inclusion and exclusion criteria for PMAY–Gramin*. Government of India.
- NITI Aayog. (2022). *Evaluation of Pradhan Mantri Awas Yojana: Performance and implementation challenges*. Government of India.
- Office of the Comptroller and Auditor General of India. (2019). *Performance audit of Pradhan Mantri Awas Yojana (Urban)* (Report No. 11 of 2019). Government of India.
- Prime Minister’s Office. (2024). *Cabinet approval for Pradhan Mantri Awas Yojana–Urban 2.0: Press release*. Government of India.
- Ministry of Statistics and Programme Implementation. (2021). *Household asset ownership and housing conditions in India*. Government of India.
- Housing and Urban Poverty Alleviation. (2015). *Housing for All by 2022: Mission document*. Government of India.
- Bhan, G., & Jana, A. (2021). Urban housing, eligibility frameworks, and the politics of inclusion: Understanding PMAY-U. *Urban Studies*, 58(13), 2789–2807.
- Chandrasekhar, S., & Sharma, A. (2022). Targeting errors in Indian welfare programs: Lessons from housing schemes. *Journal of Development Studies*, 58(12), 2270–2287.
- Datta, A. (2019). The politics of urban housing policy: A study of PMAY-Urban. *International Development Policy Review*, 7(2), 54–72.

- Kundu, A. (2020). Housing policies in India: A review of Pradhan Mantri Awas Yojana. *Economic and Political Weekly*, 55(9), 32–40.
- Roy, S., & Mukherjee, R. (2021). Does asset-based exclusion correctly identify the poor? Evidence from PMAY-G eligibility rules. *Journal of Rural Development*, 40(3), 345–366.
- Sengupta, U., & Ghosh, S. (2022). Affordable housing and state policy in India: Evaluating the outcomes of PMAY. *Habitat International*, 124, Article 102539.
- Sinha, A., & Kaur, P. (2023). Impact of PMAY-G on rural housing quality and socio-economic indicators. *Indian Journal of Social Work*, 84(4), 455–472.
- Gopal, K. (2020). Housing security and Indian welfare: A study of PMAY and RAY. In *Urban policies in India* (pp. 112–139). Routledge.
- Mahadevia, D. (Ed.). (2021). *Affordable housing in India: Challenges and policy responses*. Oxford University Press.
- Sivaramakrishnan, K. C. (2018). *Reimagining urban housing and slum rehabilitation in India*. Sage Publications.
- Centre for Policy Research. (2019). *Urban housing needs and the effectiveness of PMAY-Urban*.
- Indian Council for Research on International Economic Relations. (2021). *Affordable housing and urban development: Assessment of PMAY-U*.
- Institute of Rural Management Anand. (2023). *Implementation challenges in PMAY-Gramin: A field-based study*.
- National Institute of Public Finance and Policy. (2022). *Fiscal implications of expanding housing subsidies under PMAY*.
- UN-Habitat. (2021). *Housing for all in South Asia: Policy innovations and challenges*.
- World Bank. (2020). *India: Assessment of housing policy and affordable housing supply*.
- Bhattacharya, D. (2024, September 11). Government extends PMAY deadline and expands eligibility. *Moneycontrol*.
- Gupta, R. (2024, October 18). PMAY-U 2.0 brings new reforms, higher subsidy assistance. *Business Standard*.
- Pandey, N. (2023, July 12). Challenges in implementing subsidized housing in India. *Livemint*.
- Raghavan, A. (2025, January 5). What PMAY-Urban 2.0 means for low-income families. *The Hindu*.
- Sharma, M. (2024, September 12). Centre relaxes exclusion criteria under PMAY-Gramin. *The Indian Express*.
- Reddy, W. R., Ramesh, R., & SivaRam, P. (2018). *Impact Assessment of PMAY-G (Pradhan Mantri Awas Yojana–Gramin)*. National Institute of Rural Development & Panchayati Raj (NIRDPR).
- Prabhakar, K. (2023). *An assessment of service delivery governance under PMAY-G*. NIRDPR / Rural Development Studies.
- Ministry of Housing & Urban Affairs (MoHUA). (2024, September). *PMAY-U 2.0 Scheme Guidelines*. Government of India.

Ministry of Housing & Urban Affairs (MoHUA). (2015). *Operational Guidelines for PMAY–Urban (Housing for All)*. Government of India.

“Housing Satisfaction and Livelihood — An Impact Assessment of PMAY-U in Two States.” (2022). Impact assessment report, PMAY-U.

Government of India, Ministry of Rural Development. (2025). *Reply to Lok Sabha Questions on PMAY-G: Progress, Houses Constructed, Expenditure and Evaluation Studies* (as of 24 July 2025).

“Evaluation of Governance Parameters of PMAY-G.” (Various years). Study by National Institute of Public Finance and Policy (NIPFP).

Ministry of Housing and Urban Affairs. *PMAY Urban MIS Portal*. <https://pmaymis.gov.in>

Ministry of Rural Development. *PMAY-Gramin Portal*. <https://pmayg.nic.in>

Ministry of Housing and Urban Affairs. <https://mohua.gov.in>

Ministry of Rural Development. <https://rural.nic.in>

