



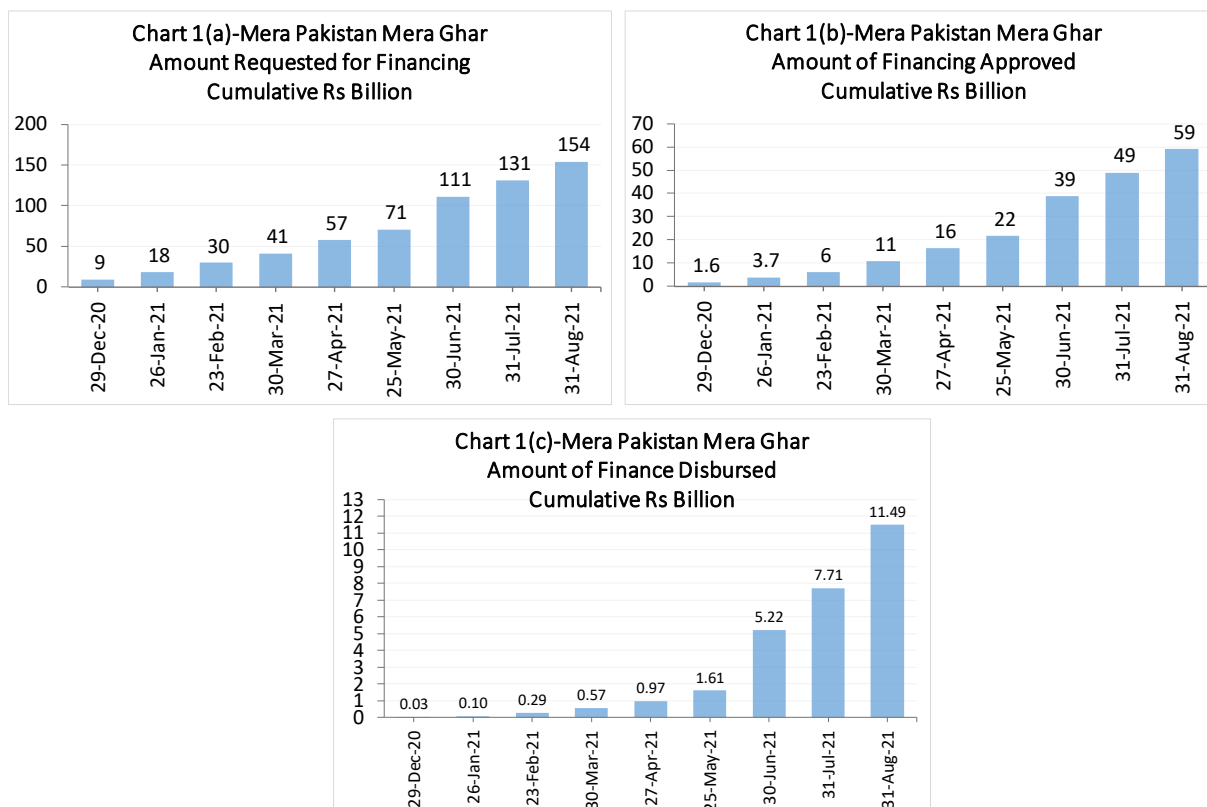
External Relations Department

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September 8, 2021

Bank Lending for Affordable Housing Gains Momentum

As a result of numerous measures of State Bank of Pakistan and full support of the Government, bank lending for the Government’s flagship markup subsidy scheme, commonly known as Mera Pakistan Mera Ghar (MPMG), has picked up momentum. Since the launch of the scheme, applications of Rs 154 billion under MPMG have been received by banks and banks have approved housing finance of over Rs 59 billion up till August 31, 2021. Similarly, pace of disbursement under MPMG that was initially slow because of a number of factors, including availability of housing units, has also picked up. By August 31, 2021, disbursement under the scheme has reached Rs 11.5 billion, showing an increase of around Rs 3.8 billion or 49% in August 2021 (Charts 1a – 1c).



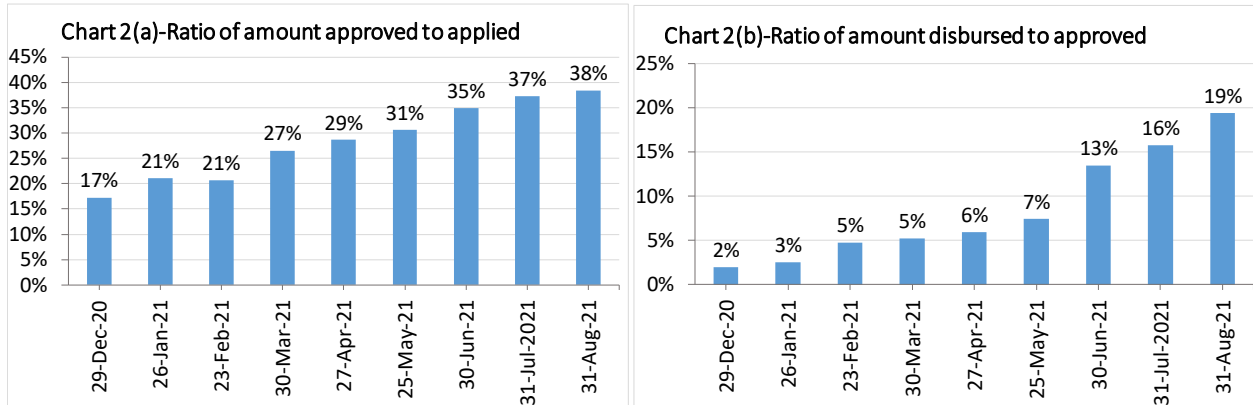
The top 5 banks by approvals and disbursements are: (Table 1)

Mera Pakistan Mera Ghar — Top 5 banks			
Approvals		Disbursements	
Bank Name	Amount (Rs in billion)	Bank Name	Amount (Rs in billion)
Meezan Bank	9.53	Bank Alfalah	1.31
Standard Chartered Bank	9.49	Meezan Bank	1.22
Habib Bank Limited	5.08	National Bank of Pakistan	1.15
Bank Alfalah	4.43	Standard Chartered Bank	1.13
The Bank of Punjab	3.98	BankIslami	0.78



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On average, to date banks have approved 38 percent of amount applied and 19 percent of approved amount has been disbursed. These approval and disbursement ratios have similarly risen over the past few months as banks have put in place the needed upfront investment in procedures and technology to process applications for low-cost housing (Charts 2a – 2b). It would be pertinent to mention here that banks disbursed amounts in different stages of construction or purchase. Thus the pace of disbursement is contingent upon the speed of construction and completion of purchasing process.



Since the announcement of MPMG scheme last year, SBP has taken various enabling steps such as introducing [standardized and simple application form](#); [adopting informal income assessment model](#); [providing relaxations in prudential regulations](#); [establishing helpdesks at all SBP field offices](#); and, designing a [complaint portal](#) supported by a network of focal persons of all banks across all geographical areas. On the instructions of SBP, banks are accepting MPMG applications from over 8,000 dedicated branches across the country. Further, SBP has also allocated targets to each bank under MPMG. An e-tracking system within each bank and a dedicated joint call center for the facilitation of the applicants have also been established. Naya Pakistan Housing Development Authority (NAPHDA) and Pakistan Banks' Association (PBA), a representative body of banks, are fully supporting MPMG.

It is expected that with the ongoing efforts by SBP, Government and Banks, bank finance for MPMG will gain further momentum in the days to come.
