

- Contribution by Central Government → The Central Government also co-contributes 50% of the subscriber's contribution or Rs. 1000 per annum, whichever is lower.
- Under the scheme, the spouse gets a monthly pension after the death of the subscriber. Further, the nominee gets the corpus amount of up to ₹8.5 lakh in the event of the death of the subscriber and the spouse.

12. Pradhan Mantri Awas Yojana-Urban (PMAY-U)

Why in News?

The Centre has committed Rs 2.01 lakh crore for the PMAY-U, of which Rs 1.18 lakh crore has been released and Rs 1.10 lakh crore has been spent.

About

- Launched by → Ministry of Housing and Urban Poverty Alleviation (MoHUPA) in Mission mode in 2015.
- Purpose → It envisions provision of Housing for All by 2022, when the Nation completes 75 years of its Independence.
- Features → The Mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:
 - Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource.
 - Promotion of Affordable Housing for weaker sections through credit linked subsidy.
 - Affordable Housing in Partnership with Public & Private sectors.
 - Subsidy for beneficiary-led individual house construction /enhancement.
 - Credit linked subsidy component will be implemented as a Central Sector Scheme while other three components will be implemented as Centrally Sponsored Scheme (CSS).
- Ownership of houses → Houses are to be allotted in the name of adult female members or in joint name and all houses to have toilet facility, drinking water and power supply. Preference is given to persons with disabilities, ST/SC/ OBCs, minorities and transgender.

13. Repo Rate

Why in News?

Recently, Reserve Bank of India has announced that the RBI's Monetary Policy Committee(MPC) had held an 'off-cycle' meeting at which it had decided unanimously to raise the policy repo rate by 40 basis points to 4.40% with immediate effect.

About

- What is it? → Repo rate (Repurchase rate) is the fixed interest rate at which it provides overnight liquidity to banks against the collateral of government and other approved securities under the liquidity adjustment facility(LAF).
- In other words, when banks have short-term requirements for funds, they can place government securities that they hold with the central bank and borrow money against these securities at the repo rate.
- The Repo Rate is one of several direct and indirect instruments that are used by the RBI for implementing monetary policy.
- Significance of Repo Rate →
 - Firstly, it serves as a key benchmark for the lenders to in turn price the loans they offer to their borrowers.
 - Secondly, it allows central banks to control the money supply within economies by increasing or decreasing the availability of funds.
- How does Repo Rate function as a monetary tool? →
 - Repo Rate functions as a monetary tool by helping to regulate the availability of liquidity or funds in the banking system.
 - For instance, when the repo rate is decreased, banks may find an incentive to sell securities back to the government in return for cash. This increases the money supply available to the general economy.