



## GOVERNMENT OF KERALA

### Abstract

Local Self Government Department - Availing loan for an amount of ₹1500 Crore from Housing and Urban Development Corporation Ltd (HUDCO) through Kerala Urban and Rural Development Finance Corporation Ltd (KURDFC) for LIFE Housing Scheme - Execution of Guarantee Agreement - Sanction accorded - Orders issued.

---

### LOCAL SELF GOVERNMENT (DE) DEPARTMENT

G.O.(Ms)No.39/2026/LSGD Dated, Thiruvananthapuram, 29-01-2026

---

1 Read 1 GO(Ms)No.155/2025/LSGD dated 21.08.2025

2 GO(Ms)No.32/2026/LSGD dated 19.01.2026

3 GO(Ms)No.34/2026/LSGD dated 20.01.2026

4 Letter No.KURDFC/250/2025-LM1 dated 21/01/2026 from Managing Director, KURDFC

### ORDER

As per the Government Order read as 1<sup>st</sup> paper above, sanction was accorded in principle, for availing a loan of ₹1500 crore from Housing and Urban Development Corporation Ltd (HUDCO) through Kerala Urban and Rural Development Finance Corporation Ltd (KURDFC) with government guarantee, ₹750 crore in 2025–26 and ₹750 crore in 2026–27, for providing the loan share required for 1,27,601 houses under construction and for extending additional loans to Grama Panchayaths to provide special consideration to beneficiaries belonging to Scheduled Castes and Scheduled Tribes included in the LIFE list.

2. Later as per Government Orders read as 2<sup>nd</sup> and 3<sup>rd</sup> paper above Government have modified the first order incorporating the pre - disbursal conditions, so as to ensure the timely release of the loan amount from HUDCO for the project.

3. As per the letter read as 4<sup>th</sup> paper above, the Managing Director, KURDFC has furnished proposal for executing Guarantee Agreement for ₹1,500 Crore.

4. Government have examined the matter in detail, and are pleased to accord sanction for executing the deed of Guarantee for an amount of ₹1500 Crore subject to the following terms and conditions of Government Guarantee:

- i. Guarantee Commission @ 0.75% shall be remitted as per orders in G.O. (Ms) 487/04/Fin dated 16.10.2004 & Guarantee Act.
- ii. Simple interest @ 12% shall be charged for delayed payments as specified in clause 5 of Government Order dated 16.10.2004.
- iii. Half yearly report shall be sent to Government in Finance Department with attested copies of chalans remitting Guarantee Commission & penal interest, if any indicating details of guaranteed amount, outstanding, guarantee commission payable (with details of Calculation).
- iv. KURDFC Ltd should ensure the remittance of Guarantee Commission dues if any, before the execution of deed.
- v. Since Guarantee Commission cannot be waived as per Guarantee Act, KURDFC should evolve a proper mechanism for the strict payment of Guarantee Commission without any fault.
- vi. The Guarantee deed vetted by the Law department shall invariably contain the Government Order No. & date of Government Guarantee, Amount & period of Guarantee & the Ceiling limit as per KCGG Act,2003 (as amended through Finance Act.No.2,2022) .

(By order of the Governor)  
TINKU BISWAL  
PRINCIPAL SECRETARY

To: The Co-ordinator, Nava Keralam Karma Padhathi, BSNL Bhavan, Uppalam Road, Thiruvananthapuram  
Principal Director, Local Self Government Department, Thiruvananthapuram  
The Chief Executive Officer, LIFE Mission, Thiruvananthapuram  
Executive Director, Kudumbashree, Thiruvananthapuram  
Regional Chief, HUDCO, Saphalyam Complex, Thiruvananthapuram  
Managing Director, KURDFC, Thiruvananthapuram  
State Performance Audit Officer, Thiruvananthapuram  
The Finance (PU-B) Department (Vide No.2687588/PU-B3/5/2024-FIN)  
The Director, Kerala State Audit Department, Thiruvananthapuram  
The Principal Accountant General(Audit) Kerala, Thiruvananthapuram  
The Principal Accountant General(A&E) Kerala, Thiruvananthapuram  
Information Officer, Web & New Media Wing, I&PRD  
Executive Director, Information Kerala Mission, Thiruvananthapuram  
Stock File/Office Copy

Forwarded /By order

Section Officer