

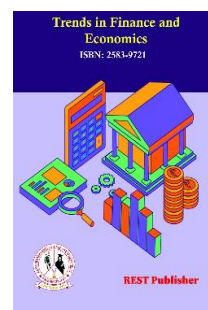
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A Study on Home Loans with Reference To HDFC

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Abstract. In the era of growing importance of financial status, there is an increased importance for various financial institutions which provide such loans. Home is a necessity to all human beings and owning a home is a dream for everyone. Earlier only a few people had the privilege to have an own home but now with the availability of home loans provided by banks many people's dreams has come true. These are loans which are provided either to buy an already built ready to occupy a home or a flat or to construct a home.

Keywords: Financial Institutions, financial status, Bank loans

1. INTRODUCTION

Home is an integral part of a human being, who since his childhood, dreams to have living space of his own. Once in a lifetime investment requires loan to do it and that is how the home loan comes into scheme of things. Buying a home is dream for everyone. Due to the rising price of properties, it has almost become impossible for an average earning person to buy a home through lump sum payment. Therefore, the concept of home loan has come into existence. There are plethora of housing finance institutions and banks both in public and private sector which offer home loans. Choosing one institution and one offer for home loan amidst the thousands available options have become a very complex task in our country. Apart from this, there are intricate business jargons and technicalities that make this job more tough and difficult. Through this study, I propose to identify the critical factors impacting the growth and distinguishing the growth pattern in home loan portfolio particularly in public sector banks in India.

2. REVIEW OF LITERATURE

Sundram K.V. (2021),¹ A study titled "A study on home finance with particular reference to co-operative home in Tiruchirapalli District" by Sundram K.V. with the objective of testing co-operative home finance for home constructions. The study was completed in the year 1991 and was submitted to the Bharathidasan University, Tiruchi. The data for the study were collected from the borrowers of co-operative home loans and also secondary data from cooperative home finance societies. The sample consisted of 300 borrowers of co-operative home loans. He concluded that loan recovery from borrowers is not satisfactory and also suggested that co-operative home finance institutions must provide additional services in addition to loan lending.

3. OBJECTIVES OF STUDY

1. The main objective of this study is to know the Customers perceptions about home loans of **HDFC BANK LTD** housing development finance corporation LTD.
2. To study about the loan policy, credit evaluation and supervision of loans and advances at **HDFC BANK LTD**.

3. To study the satisfaction level of customers about home loans. HDFC BANK LTD.
4. To study the problems faced by customers in obtaining the home loans. HDFC BANK LTD.

Scope Of Study

1. Company has undergone rapid changes in the past 5 years due to many policy decisions relating to capital markets, banking sector & licensing policy.

Research Methodology

1. Primary Data

A survey will be conducted to get the primary information. It is the data which is collected directly that is for the first time in my project I will be used: Questionnaire.

2. Secondary Data

For the secondary data, the pamphlets of various schemes from different banks have been obtained.

3. SAMPLE SIZE

The study is conducted on a sample of 200 respondents.

Limitations Of the Study

1. The study was conducted with the available data and the analysis made on it.
2. The study is limited to the home loans schemes under HDFC BANK LTD.
3. Due to the limited period of study, it may not be detailed.
4. Lack of expertise being a trainee in analyzing the data.

4. DATA ANALYSIS AND INTERPRETATION

The analysis is based on the responses given by customers through questionnaires.

TABLE 1. Age Group of Surveyed Respondents

Age group	No. of Respondents
18 - 25 years	70
26 - 35 years	60
36 - 49 years	46
50 - 60 years	20
More than 60 years	4

Analysis: - From the chart above we find that 47% of the respondents fall in the age group of 18 – 25 years, 25% fall in the age group of 26 – 35 years and 17% fall in the age group of 36 – 49 years. Therefore most of the respondents are relatively young (below 26 years of age). and 6% respondent's age are 50-60 years, and 2% respondent's age are 60 to above years.

TABLE 2. Gender Classification of Surveyed Respondents

Sr. No.	Category	No. of Respondents	Percentage
1	Married	140	70%
2	Unmarried	60	30%
	Total	200	100%

Interpretation: From the above graph and table, we can understand that

1. 70% respondents are married.
2. 30% respondents are unmarried.

TABLE 3. Educational qualification of respondent's

Sr. No.	Category	No. of Respondents	Percentage
1	Undergraduate	50	25%
2	Graduate	80	40%
3	Postgraduate	70	35%
	Total	200	100%

Interpretation: From the above graph and table, we can understand that

1. 25% respondents are undergraduate.
2. 40% respondents are Graduate.
3. 35% respondents are Post graduate.

TABLE 4. Number Of years Are You in India?

Sr. No.	Category	No. of Respondents	Percentage
1	Less than five years	78	39%
2	More than five years	122	61%
	Total	200	100%

Interpretation: From the above graph and table, we can understand that

1. 39% respondents are in India is less than five years.
2. 61% respondents are in India is more than five years.

TABLE 5. Customer Profile of Surveyed Respondents

Customer profile	No. of respondents
Student	7
Housewife	5
Working Professional	91
Business	49
Self Employed	24
Government service employee	24

Interpretation: From the above graph and table, we can understand that 51% of the respondents are working professionals, 22% are into business and 11% are self-employed, 11% of the respondents are government service employee and 3% of the respondents are student and 2% of the respondents are housewife.

TABLE 6. Annual household income?

Sr. No.	Category	No. of Respondents	Percentage
1	Less than 2 lacs	98	49%
2	Between 2 to 5 lacs	62	31%
3	Between 5to 8lacs	30	15%
4	More than 8 lacs	10	5%
	Total	200	100%

Interpretation: From the above graph and table, we can understand that

1. 49% respondent's annual household income is less than 2 lacs.
2. 31% respondent's annual household income is between 2 to 5 lacs.
3. 15% respondent's annual household income is between 5 to 8 lacs.
4. 5% respondent's annual household income is more than 8 lacs.

TABLE 7. Do you know about HDFC housing development finance corporation LTD?

Category	No. of Respondents
Yes	164
No	36

Interpretation: - From the above graph and table, we can understand that

1. 91% respondents are known about HDFC LTD
2. 9% respondents are not known about HDFC LTD

TABLE 8. Reasons for getting the home financed.

Sr.No.	Number of Reasons	No of costumers
a.	Non-availability of funds	56
b.	Reluctancy to pay cash in one go	50
c.	Tax benefit	40
d.	Any other	54

Interpretation: To interpret the response of the questions, the figures shows that most of the customers find the problem in availability of funds i.e. 56% and very a smaller number of customers found problem in paying cash in one go is 50%, customers get housing loan for tax benefits is 40%. This was the expected response because many people find a problem of availability of funds which works as an obstacle in owning a dream home. In today's life, people hardly earn both means and ends of life and they don't have much of money to buy a home or a land to construct house because of cost of property.

TABLE 9. From where you have got your home financed

Name of Banks / company	No of customers
HDFC LTD	75
Punjab National Bank	35
Standard Chartered Bank	27
HDFC BANK	40
Any other	23

Interpretation: The analysis showed that many customers prefer HDFC LTD as compared to others. The data shows that 27% of customers took loan from Standard Chartered Bank, 40% of customers from HDFC BANK, 35% Customers took loan from Punjab National Bank, 75% of customers took loan from HDFC LTD and a 23% of customers fall under the category of 'Any other' which included State Bank of India, Canara Bank, Punjab and Sind Bank, etc. The data shows that most people prefer HDFC LTD compared to public sector banks and other private banks. This is because of the extra services provided by HDFC LTD. However, there is less difference in figures of HDFC Bank and Punjab National Bank. But there is considerable difference in figures of the two private sector banks i.e. HDFC bank and Standard Chartered Bank. As HDFC is the market leader in the home loans sector. This may be the reason for such difference in Standard Chartered Bank's percentage and HDFC Bank's percentage. Another reason for specialized services in home loans, more amounts of loans, and efficient query handling.

TABLE 10. Sources of information about Home Loans Scheme

Sources of information	No of customers
Newspapers	69
Magazines	36
Banners/Hoardings/Pamphlets	31
Word of mouth	40
Any other source	24

Interpretation: The data shows that around 20% of customers got information from source of 'Word of Mouth' which includes information from friends, relatives, colleagues etc. 49% of customers got information from newspapers, only 16% of customers from magazines and 4% of customers got information about home loans schemes under 'Any other source' and 11% through Banners/ Hoardings/Pamphlets.

TABLE 11. Opinion about the services of HDFC LTD

Services of HDFC LTD	Percentage of customers agreeing				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
a. Professionally managed	86%	10%	4%	-	-
b. Reliable & transparent	67%	33%	-	-	-
c. Socially responsible	75%	10%	15%	4%	-
d. Customer care	20%	68%	8%	-	-
e. Query handling	20%	76%	4%	-	-

Interpretation: Customers from HDFC LTD are quite satisfied with their services like query handling and customers' social responsibility of banks towards customers and professionally managed services. They don't give so good response to reliability and transparency services of banks. So, the customer satisfaction level for HDFC LTD services is lightly satisfied.

TABLE 12. Opinion of customers about home loan schemes

Services of HDFC LTD	Percentage of customers agreeing				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
a. Amount of loan	60%	35%	5%	-	-
b. Legal formalities	42%	45%	14%	-	-
c. Interest rates	32%	56%	12%	-	-
d. Repayment options	26%	64%	10%	-	-
e. Security demanded	20%	32%	48%	-	-
f. Installments	55%	40%	5%	-	-
g. Services	45%	30%	18%	6%	1%
h. Processing for sanction of loan	55%	24%	18%	3%	-

Interpretation: The analysis shows that the customers of HDFC LTD gave 60 percent of the amount of loan and legal proceedings, 56% to interest rates, 45% to proceedings and services, 55% to installments. So, the customer of HDFC LTD didn't give a response regarding the services of the bank / company except to the amount of loan and legal formalities.

TABLE 13. Data Gives Preference of Respondents of Home Loans Companies and Banks

Company's name	No.of respondents	(%)
Hdfc ltd	78	78
Standard chartered bank	2	2
Hdfc bank	10	10
Pnb	7	7
Sbi	3	3
Total	100	100

Interpretation: From the table and graph above it can be seen that: 78% of the people contacted prefer HDFC LTD to any other and therefore it is ranked no.1 by that percentage of respondents.

Findings

From the chart above we find that 47% of the respondents fall in the age group of 18 – 25 years, 25% fall in the age group of 26 – 35 years and 17% fall in the age group of 36 – 49 years. Therefore, most of the respondents are relatively young (below 26 years of age). and 6% respondent's age are 50-60 years, and 2% respondent's age are 60 to above years. From the above graph and table, we can understand that.

1. 70% of respondents are married.
2. 30% of respondents are unmarried.

From the above graph and table, we can understand that.

1. 25% of respondents are undergraduates.
2. 40% respondents are Graduate.
3. 35% respondents are Post graduate.

From the above graph and table, we can understand that.

1. 39% respondents are in India is less than five years.
2. 61% respondents are in India is more than five years.

From the above graph and table, we can understand that. 51% of the respondents are working professionals, 22% are into business and 11% are self-employed, 11% of the respondents are government service employee and 3% of the respondents are student and 2% of the respondents are housewife.

From the above graph and table, we can understand that.

1. 49% of respondents' annual household income is less than 2 lacs.
2. 31% of respondents' annual household income is between 2 to 5 lacs.
3. 15% of respondents' annual household income is between 5 to 8 lacs.
4. 5% of respondents' annual household income is more than 8 lacs.

From the above graph and table, we can understand that.

1. 91% respondents are known about HDFC LTD
2. 9% respondents are not known about HDFC LTD

In today's life, people hardly earn both means and ends of life and they don't have much money to buy a home or land to construct house because of the cost of property.

Recommendations And Suggestions

The analysis showed that a large number of customers prefer HDFC LTD as compared to others. The data shows that 27% of customers took loan from Standard Chartered Bank, 40% of customers from HDFC BANK, 35% Customers took loan from Punjab National Bank, 75% of customers took loan from HDFC LTD and a 23% of customers fall under the category of 'Any other' which included State Bank of India, Canara Bank, Punjab and Sind Bank, etc.

The data shows that around 20% of customers got information from source of 'Word of Mouth' which includes information from friends, relatives, colleagues etc. 49% of customers got information from newspapers, only 16% of customers from magazines and 4% of customers got information about home loans schemes under 'Any other source' and 11% through Banners/ Hoardings/Pamphlets . Customers from HDFC LTD are quite satisfied with their services like query handling and customers social responsibility of banks towards customers and professionally managed services. They don't give so good response to reliability and transparency services of banks. So, the customer satisfaction level for HDFC LTD services is lightly satisfied. The analysis shows that the customers of HDFC LTD gave 60 percent of the loan and legal proceedings, 56% to interest rates, 45% to proceedings and services, and 55% to installments. So, the customer of HDFC LTD didn't give a response regarding the services of the bank / company except to the amount of loan and legal formalities. From the table and graph above it can be seen that: 78% of the people contacted prefer HDFC LTD to any other and therefore it is ranked no.1 by that percentage of respondents.

5. CONCLUSION

The underlying motivation of this study has been to contribute toward enriching the already extensive research on housing affordability presented in the formal literature. In particular, in addition to several supporting objectives, this book has two main objectives, namely: (i) to review a range of available approaches to the measurement of housing affordability and (ii) to examine the evidence on housing affordability in Melbourne, Australia, from 2001 to 2010.

The focus of the latter is on housing affordability in metropolitan areas and not in rural and regional areas where the issues are somewhat different in nature and scale. The book begins with an exposition in Chapter 2 on the importance of housing per se. In addition to discussing housing trends, this chapter examines the relevance of housing to governments at different levels, the emergence of the housing affordability problem, and why housing affordability is important. Ultimately, the core purpose of this chapter is to enhance understanding of the complexity and importance of housing in general and housing affordability in particular, and thereby to inform the discussion, to different degrees, of the other chapters in the book

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