

A Study of Various Parameters of Home Loan Scheme Offered by Banks

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Abstract: Every human being want their own house. House is a profitable and useful in the future and furnished propulsion to economic development. But the today scenario buying the home is a challenge chore. Because it is a major expenditure. A middle class family cannot afford this expenditure. To resolve this activity. Government provides housing finance loan facility for every person at lower interest rate. Housing finance sector encourage tax rebates. Housing finance means to take a home on loan basis in which we pay monthly installment with favorable interest rates.

Keywords: Interest rate, home loan, financial institution, fixed and floating interest rate, Tax exemption.

I. INTRODUCTION

Housing, being one of the basic needs of making in terms of safety, security, self-esteem, social status, cultural identity, satisfaction and achievement, is one of the major determinants of economic well-being.

In India there are many prominent nationalized banks and private banks that offer easy home loans to the prospective buyers. These banks offer Home loans to the prospective buyers to purchase either fresh or old house. Further loans are also provided for home upgrading or repair, extension of houses etc. The facilities provided by these banks include Low interest rates, Door-step service, Can transfer your existing high-interest rate loan, Free personal accident insurance, Up to 100% funding for selected properties.

II. LITERATURE REVIEW

- 1.Suman Kanojia, Affiliation, Housing Finance; Problems; Housing Finance Institutions , Set Alert International Journal of Advanced Research in Management and Social Sciences.
- 2.karishna R.R. V.V. ganesh Murthy (1998) observe the view that there is a vast scope that for housing promotion in India and the bank and housing finance companies can play vital role in the promotion of housing.
3. Leelaram Kuruvilla (1999) throw light on national housing policy and new initiative in housing finance. She suggested that the change in legal frame-work, simplifying the home loan policy.
4. Mathurn (1993) opined that the financial burden of investment in housing is generally very heavy when the owner does not have sufficient fund available to pay for the site and the entire cost of construction. Hence he must make arrangement to obtain fund from some other source.
5. Kurana , M.L. (1998) analysed the magnitude of the housing problem , housing finance companies , legal aspect of housing corporative and procedural simplification of legal loans . he suggested the necessity for education and training for the member of the housing co-operative and also the legal aspect including the adoption of model law formed by the central government.
6. Mohinder Singh (1999) state the magnitude of the housing problem in the country and various national housing policies of the government. He reviewed the detailed statistical data and suggest the following sufficient loan free from corruption and low rate of interest.

III.OBJECTIVE OF THE STUDY

- To study the process of home loan.
- To study how to calculate EMI on home loan.
- To learn about various aspect of USFB home loan.
- To know the idea of customer about interest pay on home loan.

IV. HYPOTHESIS OF THE STUDY

- Interest rate offered by bank is cost effective.
- Interest rate offered by bank is not cost effective.

V. RESEARCH METHODOLOGY

Research is application of human intelligence systematic manner to a problem.

1. Collection Of Data

Both the primary and secondary method of data collection are use for present study. Under the primary data collected method questionnaire and secondary data for the present data include webservice.

2. Sampling work

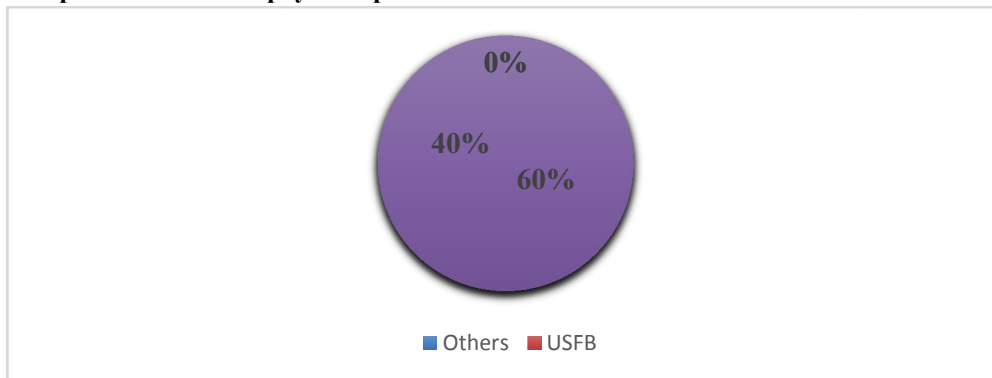
Population :- 100

Sample Size :- 50

Sampling techniques :- survey techniques

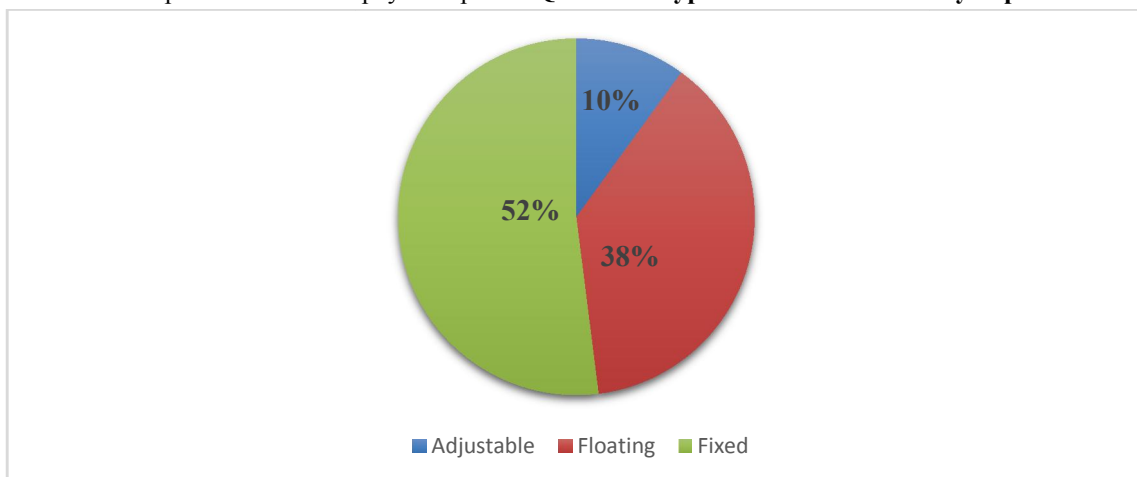
VI. DATA ANALYSIS AND INTERPRETATION

Q.1. Which bank provide flexible repayment period?



INTERPRETATION: Among 50 respondents, 40% persons say that USFB provide flexible repayment period, 60% says that Other Bank provide flexible repayment period.

Q.2 Which type of interest rate have you preferred?



INTERPRETATION : Among 50 respondents, 52% persons are interested in fixed rate of interest at the time of Home Loan, 38% persons are interested in floating rate of interest, 10% persons prefer adjustable rate

VII. CONCLUSION

- Ujjivan small finance bank provide more attractive interest rate than other bank.
- Loan amount disbursement process is easy when compare to other bank.

- The loan sanction process is low when compare to other bank.
- Home loan have long period when compare to other bank.
- The study limited only 50 person.

BIBLIOGRAPHY

- [1]. Rajat Karadmare (Guide to housing finance)
[2]. www.ujjivansfb.in