

A STUDY ON HOME LOANS IN ICICI BANK

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

HARIPRASAD.A

Register No: 40410067



SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119.

April – 2022



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of
HARIPRASAD.A (40410067) who carried out the project entitled “**A
STUDY ON HOME LOANS IN ICICI BANK**” under my supervision from
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DECLARATION

I **HARIPRASAD.A (40410067)** hereby declare that the Project Report entitled “**A STUDY ON HOME LOANS IN ICICI BANK**” done by me under the guidance of **Dr. M.THINESH KUMAR M.Com,MBA,M.Phil,Ph.D**, at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI is submitted in partial fulfillment of the requirements for the award of **Master of Business Administration** degree.

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ABSTRACT

In this research paper, against the milieu of rapid urbanization and a changing socio-economic scenario, the demand for housing has grown explosively. The importance of the housing sector in the economy can be illustrated by a few key statistics. According to the National Building Organization (NBO), the total demand for housing is estimated at 2 million units per year and the total housing shortfall is estimated to be 19.4 million units, of which 12.76 million units is from rural areas and 6.64 million units from urban areas. The housing industry is the second largest employment generator in the country. It is estimated that the budgeted 2 million units would lead to the creation of an additional 10 million man- years of direct employment and another 15 million man-years of indirect employment. A year equates a century, knowledge compresses time and the information technology sweeps the world, gathering momentum with each new application, soaring towards fresh goal, rapidly opening vistas hitherto unknown. Here we are, in the 21st century....Years that catapults us towards new challenges at every stage of endeavor. It gives us good reason for aiming high. Retail Banking has been popular segment to enter into for many banks. In this retail banking, housing sector has been most promising segment which is promising a comprehensive growth rate of about 30% for the next fifty years. During the past 4-5 years the housing sector helped by the growing housing finance industry has witnessed significant developments.

Keeping the above philosophy in mind, this project is carried out with an objective to identify the basic needs of the applicants and the process of Home Loans in ICICI Bank Ltd.

Keywords: Housing Sector, Employment, Rapid Development.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The objective of this paper is to understand the conceptual frame work of home loan in India and to undertake the empirical study on home loan industry. In this regard secondary data is being used. The various issues related to drivers of demand in housing, evolution of home loan. Housing in India, importance and types of home loan have been discussed. Through this paper the basics of housing loan addressed.

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.

ICICI Bank is India's No. 1 Home Loans Provider. At ICICI Bank Home Loans, it offers unbeatable benefits to ensure that the customers get the best deal without any hassles and ICICI Bank makes it extremely easy for them.

1.2 INDUSTRY PROFILE :

The housing is one of the basic needs of the people as it ranks next to food and clothing. A certain minimum standard of housing is essential for a healthy and civilized living. Thus, the priority has to be given for the development of housing in

a country. It is a tool for modern economic development. The census records of India exhibits that there was no deficit-housing problem in India till the first half of the century. In 1901, there were 55.8 million houses for 54 million households showing a surplus of 1.8 million houses. This surplus situation continued till 1941. It was only after 1951, the deficit trend has started and is continuing with an escalating magnitude. In 1971, total number of households was 100.4 million and the number of houses was 90.7 million, showing a deficit of 9.7 million. The housing shortage during 2001 was 41 million. The estimated housing stock requirement in the country by 2021 is about 77 million in urban areas and 63 million in rural areas. The increasing number of houses and a rising trend in the size of the households has contributed to the shortage of housing stock in the urban areas. Only 20% of the Indian population lived in urban areas in 1970 (UNDP 1998). The urbanization is expected to increase still. This resulted in an estimation of 36% of the population to live in urban areas by 2015. In India, there is a very widening gap between the supply and demand for housing. There is an urgent need to modify the policy on one hand and look for an innovative approach for construction of houses on the other to reduce the deficit. The Government of India(GoI) had introduced schemes and projects for housing problem in every five year plans. The National Housing Policy formulated by government of India takes into account the developments on national and international scene on shelter sector. The adoption of National Housing Policy by the Parliament in 1994 was a landmark step in promoting housing development in the country.

1.3 BANK PROFILE :

- * ICICI Bank is a leading private sector bank in India.
- * ICICI Bank Limited is an Indian Multi-National Bank and Financial Services Company with its corporate office in Mumbai,Maharashtra.
- * The Bank's consolidated total assets stood at Rs.14.76 trillion till september,2020.
- * ICICI Bank has currently a network of 5,288 branches and 13,875 ATM's across India.

- * ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry.
- * The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.
- * As India's economy became more market-oriented and integrated with the world economy, ICICI capitalized on the new opportunities to provide a wider range of financial products and services to a broader spectrum of clients.
- * ICICI Bank was incorporated in 1994 as a part of the ICICI group. In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the New York Stock Exchange.

1.4 Evolution of Home Loan

Home Loan plays a vital role as an engine of equitable economic growth through the reduction of poverty and prevents slum proliferation in economy. The demand for housing is increasing rapidly day by day. Therefore, to meet with the growing housing demand is the aim of the government. To achieve this aim it is required to provide the loan for housing to the people. The liberalization of the financial sector of the economy has also become possible by the housing finance. Home Loan is the funds buyer has to borrow usually from a bank or other financial institutions to purchase a property, generally secured, by a registered mortgage to the bank over the property being purchased. A mortgage loan is a debt owed on a home, the mortgage rate is the interest rate charged to the home owner for the use of the loan. Home loan is a broad topic, the concept of which may vary across lands, regions and countries, particularly in terms of the areas it covers.

The International Union for Housing Finance, as a multinational networking organization, has no official position on what the best definition of housing finance is. The concept of housing finance and housing finance systems has been evolving

over time. Looking at definitions from the mid-1980s, the housing finance was defined primarily in terms of residential mortgage finance.

“The purpose of a housing finance system is to provide the funds which homebuyers need to purchase their homes. This is a simple objective, and the number of ways in which it can be achieved is limited. Notwithstanding this basic simplicity, in a number of countries, largely as a result of government action, very complicated housing finance systems have been developed. However, the essential feature of any system, that is, the ability to channel the funds of investors to those purchasing their homes, must remain.”

1.5 Importance of Home Loan:

The need for home loans arises not because property prices are heading upwards all the time but because home loans make great sense from a long-term savings perspective. Not only are home loans a handy tool for the common man to own a roof over his head but they also help to save money in the long run with skyrocketing real estate prices, people are increasingly opting for housing loans to acquire their dream home. Interest rates are coming down all the time and the banks and the housing finance companies are literally falling over each other to lure the prospective home-seekers. products called „zero down payment loans“ wherein 100 per cent funding is provided for select properties. These lucrative offers are other major reasons for why people are opting for loans.

For salaried employees, housing loans are the best way to avail of tax benefits. Many people simply go for the home loans in order to avail these benefits. Interest payments upto 2.0 lakh on housing loans are deductible from the taxable income and there is a further deduction of taxable income maximum up to 1.5 lakh against repayment of principal portion per annum. In case a person stays in a rented house, the cost of the loan will be nearly zero percent since he will be saving a decent amount on rent.

Even if one can afford to buy a home with one's own money, home loans should be availed because they act as good savings instrument. According to industry

estimates, the long term average return in investing in a home is about 20% p.a. while the average cost of borrowing funds in the market today is about 7% p.a. (considering all tax breaks).

1.6 Types of Home Loan:

Various types of home loans are available in India. They are described below:

(i) Home Purchase Loan:

These are the basic home loans for the purchase of a new house. These loans are given for purchase of a new or already built flat/bungalow/row-house.

(ii) Home Improvement Loan:

These loans are given for implementing repair works and renovations in a home that has already been purchased by the customer. It may be requested for external works like structural repairs, waterproofing or internal works like tiling and flooring, plumbing, electrical work, painting, etc.

(iii) Home Construction Loan:

These loans are available for the construction of a new home. The documents required by the banks for granting customer a home construction loan are slightly different from the homepurchase loans. Depending upon the fact that when customer bought the land, the lending party would or would not include the land cost as a component, to value the total cost of the property.

(iv) Home Extension Loan:

Home Extension Loans are given for expanding or extending an existing home. For example addition of an extra room etc. For this kind of loan, customer needs to have requisite approvals from the relevant municipal corporation.

(v) Land Purchase Loan:

Land Purchase Loans are available for purchase of land for both home construction or investment purposes. Therefore, customer can be granted this loan even if customer is not planning to construct any building on it in the near future. However, customer has to complete construction within tenure of three years on the same land.

(vi) Bridge Loan:

Bridge Loans are designed for people who wish to sell the existing home and purchase another. The bridge loan helps finance the new home, until a buyer is found for the old home.

(vii) Balance Transfer:

Balance Transfer loans help customer to pay off an existing home loan and avail the option of a loan with a lower rate of interest. Customer can transfer the balance of the existing home loan to any another bank.

(viii) NRI Home Loan:

This is a special home loan scheme for the Non-Resident Indians (NRI) who wishes to build or buy a home or land property in India. They are offered attractive housing finance plans with suitable reimbursement options by many banks in the country.

1.7 Features Of ICICI Bank Home Loan:

- Home loan amount can be chosen to suit specific needs
- One can avail of a loan up to 85% of Cost Of Property
- Conveniently pay off the loan over a period of upto 25 year
- It can be availed at the Floating rate of Interest or at the Fixed rate of Interest or at the combination of both Fixed & Floating rates
- Faster repayment as principal repayment in on monthly rest.

1.8 Basic Eligibility Norms for Home Loans:

- Home Loans can be availed by Resident Indian whether Salaried or SelfEmployed and also by Non- Resident Indian who are Salaried.
- For resident Indians the following are the eligibility norms :
 - ✓ You must be at least 21 years of age when the loan is sanctioned.
 - ✓ The loan must terminate before or when you turn 65 years of age or before retirement, whichever is earlier.
 - ✓ You must be employed or self-employed with a regular source of income.

1.9 Ways to Enhance Your Eligibility:

- If your spouse is earning, put him/her as a co-applicant. The additional income shall be included to enhance your loan amount. Incidentally, if there are any co-owners they must necessarily be co-applicants.
- Your blood relative income can also be considered for sanctioning the loan on your combined income. The disbursement of the loan, however, will be done only after you submit proof of your marriage.
- Providing additional security like bonds, fixed deposits and LIC policies may also help to enhance eligibility.

1.10 Documents required for loan sanction:

At ICICI Bank we require the following documents to sanction your home loan:

Sanction Documents:

- Duly Completed Application Form
- Photograph
- Fee cheque
- Photo identity proof
- Age proof
- Signature verification proof
- Residence address proof

Documents for salaried people

- Last three months salary slips
- Form 16
- Bank statements for last 6 months from salary account
- Repayment track record of existing loans

Documents specific for Self Employed

- Income Tax Return / Computation of Total Income / Auditors Report / Balance Sheet / Profit & Loss Account certified by Chartered Accountant for last 2 years (3 years for Home Equity) (both for business and personal of partners/directors)
- Bank Statement for last 6 month from operating account
- Repayment Track record of existing loans / Loan closure letter
- Board Resolution in case of a company
- Proof of existence
- Office Address Proof
- Photo Identity Proof, Residence Address Proof, Signature Verification is required to be provided for all the main partners / directors.

These are the documents required for sanctioning a loan. You may be asked to submit further legal documents if required by ICICI Bank or its approved lawyers. Do retain photocopies of all documents being submitted by you.

1.11 Disbursement of your ICICI Bank Home Loan:

We disburse the loan amount after you identify and select the property or home that you are purchasing and submit the requisite legal documents. While you may be under the impression that the list of documents asked for is rather extensive, please note that it is for your own good. Each and every single document asked for will be verified and checked to ensure your safety. This may take some time but we want to ensure a clear title and will complete all the legal and technical verifications to ensure that you have full rights to your home. Your loan will be disbursed after you identify and select the property or home that you are purchasing and on your submission of the requisite legal documents. The 230 A Clearance of the seller and / or 37I clearance from the appropriate income tax authorities (if applicable) is also needed. On satisfactory completion of the above, on registration of the conveyance deed and on the investment of your own contribution, the loan amount (as warranted by the stage of construction) will be disbursed by ICICI Bank.

Disbursement Documents:

Property documents (as per P&D for respective states and as asked by empanelled lawyers for individual cases)

- Facility Agreement
- Disbursal Request Form
- Cheque Submission
- ECS or Auto Debit for ICICI Bank account holders or Post Dated Cheques for EMI
- ECS or Auto Debit for ICICI Bank account holders or Post Dated Cheques for EMI

- Personal Guarantor's Documents (PG Form, Photograph, Identity Proof, Address Proof, Signature Verification and Income documents, if applicable) In case of property is owned by a company

- Memorandum of Entry

- Form 8

- NOC

1.12 Home Loan Interest Rates :

- ICICI Bank ensures that you get the best deal, in terms of interest rate and other facilities also, in the most convenient way.
- With our varied offering of house loans and home finance, we give you an opportunity to select the perfect home loan as per your needs such as:
 - ✓ Adjustable Rate Home Loan
 - ✓ Fixed Rate Home Loan
 - ✓ Combination of the above two

1.13 Step Up Repayment Facility (SURF):

- SURF is a variant to enhance the eligibility of a young professionally qualified home loan customer with out increasing monthly outflow as EMI.
- The structuring consider a notional percentage increase in income & offers options of graded increase in EMI over the tenure of the loan contracted.
- The tenure is divided in three parts
 - 1) Primary being lowest EMI
 - 2) Secondary
 - 3) Tertiary being highest EMI
- The following are the features of SURF
 - 1) Higher eligibility of loan amount with lower EMI
 - 2) Graded increase in EMI considering future increase in Income Suited for young professionals.
 - 3) SURF can be availed by Resident Indian whether Salaried or SelfEmployed Professionals.

1.14 Flexible Installment Plan (FLIP):

- FLIP is a variant for structuring enhanced eligibility of home loan applicants with varying tenure of income source.
- This repayment facility is given when income is going to reduce after certain time during the loan tenure due to one of the borrowers retiring before loan maturity.
- The EMI payable becomes affordable based on individual income source and also matching the family cash flow.
- This variant is offered typically to family members joining as applicants like husband & wife or father & son with varying tenure of service Period / Age norm.
- FLIP considers income of two applicants and offers step down repayment facility.
- One of the applicants should have service period till the end of the tenure of the loan.
- FLIP would have two different EMIs during the tenure of the loan.
- Normally the first EMI would be based on the combined income.
- The second EMI would be smaller & based on the lower income with longer tenure of the applicant.
- FLIP can be availed by Resident Indian whether Salaried or SelfEmployed and also by Non- Resident Indian who is Salaried.

1.15 Part Fixed, Part Floating:

- A product that offers the dual benefit of fixed rate loans as well as floating rate loans.
- With this product, a customer can book part of his loan under a fixed rate plan and the other part under a floating rate plan.
- Thus, he can minimize the impact of any adverse changes in the interest rate regimes and at the same time, avail of any benefits that may come by way of favorable changes.
- Part Fixed, Part Floating can be availed by Resident Indian whether Salaried or Self-Employed and also by Non- Resident Indian who is Salaried.

1.16 SmartFix Home Loans:

- 3 years fixed and floating rate thereafter.
- A product that offers the safety of fixed rates plus the advantages of floating rates.
- The Smart Fix enables the customer to lock at fixed rate of interest today with the contract to move to a floating rate on a subsequent date.
- For the first 3 years you get a fixed interest rate. From the fourth year, your loan gets switched to the prevailing floating interest rate.
- Thus, a customer gets an opportunity to observe the interest rate movement over a period of time and expects to benefit in the bargain.
- Smart Fix can be availed by Resident Indian whether Salaried or SelfEmployed.
- The interest rate on ICICI Bank Home Loans is linked to the ICICI Bank Floating Reference Rate (FRR)/PLR.
- Consequently interest rate for all existing customers under Adjustable Rate Home Loans (ARHL) also went up by 1%.

1.17 Insurance Plans for your Home Loan:

- Introducing exclusive home loan insurance that can provide cover to your Home loan in the face of any unforeseen event happening to your life.
- In case of any of these happenings, your family will have the support of the insurance cover to pay for the outstanding Home loan, without being burdened by the loan EMI's.

i. Key Benefits of HomeSafePlus:

- ✓ No medical checkup/
- ✓ Comprehensive insurance plan for individual, home and its contents.
- ✓ Single premium long-term insurance plan.

- ✓ Premium paid for the Critical Illness cover is eligible for tax benefits u/s 80D of the Income Tax Act.
- ✓ Sum Insured remains constant throughout the policy period (loan O/S amount to come to bank, rest goes to individual).
- ✓ Multiple applicants can be covered under the same loan.
- ✓ Simple application form.

ii. Key Benefits of HomeAssure/HealthAssure:

- ✓ Life Cover from HomeAssure for the entire home loan tenure.
- ✓ Critical Illness cover from life threatening illnesses like cancer, coronary artery bypass, heart attack, kidney failure, stroke, major organ transplant.
- ✓ Special non-medical limits only for ICICI Bank Home Loans customers.
- ✓ Dual benefit to customers, Life Cover from HomeAssure and Critical Illness Cover from HealthAssure.
- ✓ Dual tax benefits, Section 80C benefits under HomeAssure, Section 80D benefits under HealthAssure.
- ✓ Simplified claim procedure.

CHAPTER 2

LITERATURE REVIEW

2.1 REVIEW OF LITERATURE:

Goyal and Joshi (2011) have deduced in their study on Social and Ethical Aspects of Banking Industry that banks can extend themselves as a social and moral oriented association by just dispensing credits to those social, moral and ecological concern associations.

Kumar and Gulati (2010) examined at the centrality of the possession on the Indian local banks adequacy. Data Envelopment Analysis (DEA), which is a non-parametric, deterministic and straight programming based system, was utilized to register open and private division banks effectiveness score. The operational cross-sectional information of the general population and private area banks amid the money related years 2005-06 and 2006-07 was utilized and it was found that (1) De nova private division banks command the development of effective boondocks of Indian household saving money industry; (2) Primarily, the entire specialized wastefulness stops from administrative inadequacy rather than scale wastefulness; and (3) Though the general population and private part banks' productivity contrasts have been noted, in a large portion of the cases these distinctions are measurably insignificant. Overall, it is reasoned that industry possession is incapable in the Indian local saving money industry.

Naveen K.Shetty and Dr.Veerashekhharappa (2009) studied the significance of microfinance in achieving money related incorporation. The paper concentrates on effect of the expanding hole sought after and supply of money related administrations in India which has prompted the expanding populace of the nation to be avoided from the formal budgetary credit framework on housing advance.

Kerry D (2008) broke down, amid the period 1998-2008, there was a sharp ascent and afterward there was a surprising drop in the homecosts. Financial basics

were the fundamental purposes behind these adjustments in home costs. Thusly the issue was not a result of subprime loaning, but rather emotional diminishments in the Fed, a short time later amid the early mid-2000 there was an expansion in the rates of premium; the development of housing was engaged in the business sectors where there were critical supply-side limitations, that able to be more value unpredictable. Likewise the issues laid in light of expansion and decline of certain home loan items, instead of credit lack.

Sendhilvelan and Karthikeyan (2007) RBI has expressed that the development towards general keeping money ought to have speedier dependability and proficiency of the budgetary framework, yet without anyone else it cannot give a viable or feasible answer for the operational issues of individual organizations emerging from credit capitalization, abnormal state of NPAs vast resources liabilities crisscross, liquidity and so forth. However in a business sector driven economy to confront the opposition one variable is the size and subsequently, the passage of Universal banks is unavoidable for the general monetary advancement of our nation. There is most likely step by step we are moving towards the administration of a couple of substantial banks from the administration of numerous little banks. This illustration is accomplished with the idea of widespread managing an account which surely fortify the banking sector.

Talwar (1996) in an article on the present saving money situation and the requirement for an arrangement change, opines that a noteworthy concern tended to by managing an account segment change is the strengthening of the budgetary wellbeing of banks. The presentation at prudential standards is better money related order by guaranteeing that the banks are aware of the danger, benefit of their loan portfolios.

Boyd (1994) the study closes on rate of interest charged on advances, enthusiasm on bank accounts, notoriety. All these interest have played an essential part for customers and money related execution of a bank in business sector. However, customers likewise mind other criteria, for example, the amount of agreeableness of representatives, item, online offices, paper work and postliminary.

Spencer (1991) pointed that the significance of bank picture as focused technique for expanding customer activity stream. Inclination for bank amongst understudies as supplier of money related administrations, more noteworthy trust in huge medium estimated banks, significance of customers by work force, focused store rates and credit accessibility were the key discoveries.

Narasimham Committee (1991) In the most recent two decades different changes came in the keeping money framework in our nation that were engaged and highlighted by Narasimham Committee. Till now has progress going on. By this bank came to know their frail focuses and how to come up. There were numerous angles which decrease in profitability, effectiveness and gainfulness of a bank framework. The board of trustees firmly makes changing, solid economy ventures to make Indian banking framework effective.

Rangarajan(1988) Remarks that division of banks credit for gainful reason in vital for financial improvement. Banks are more unbending in loaning exercises and along these lines meriting and poor individuals are not getting budgetary help. New measures are key to guarantee that advance achieve meriting hands.

Leelamma Kuruvilla (1999) tosses light on National Housing Policy and new activities in housing money. She proposed that the adjustment in the lawful casing work, rearranging the strategy for housing money and the dynamic contributions of the Government in the housing division will moderate the housing issue.

Mathurn (1993) opined that the money related weight of interest in housing is by and large substantial when the proprietor does not have adequate assets accessible to pay for the site and the whole cost of development. Consequently, he should make game plans to acquire reserves from some different sources.

Parekh (1988) reported that the eventual fate of housing fund is to improve the credit start process for housing all through the nation to build up an institutional system that would encourage the beginning procedure, to distinguish the potential asset base for the framework in general and to disentangle the lawful framework as for danger administration of housing money organizations.

Karthik. G. (1998) in his study about the Housing and Development corporation and national housing bank argued that profitability and growth of housing finance in India is largely based on the development and introduction of new schemes matching the economic profile of the borrowers. This study suggested improvement in schemes is highly essential for the growth of housing finance in India.

Vidhayavathi. K (2002) in her study evaluated the performance of housing finance institutions on certain selected business parameters as well as through an opinion survey over the home loan seekers and concluded that apart from interest rate advertisement, service quality, courtesy and speed of service are certain other important dimensions affecting the growth of housing finance industry.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 NEED FOR STUDY

- The business environment today and intense competition globally have made it mandatory.
- The business entities to train their human resources constantly and as per the emerging challenges.
- The Major three needs are to understand the home loan market with its current practices in context of Indian scenario.
- To know the ideas of customers about home loan products and services.
- To study the problem faced by the customers in obtaining home loan.
- Designed strategically to meet the business needs.

3.2 SCOPE OF THE STUDY:

- All industries have challenges to face when it comes to training their workforce, many of which are unique to that particular industry, and the banking sector is no different.
 1. Regulation changes
 2. Ensuring all staff meet training standards
 3. Resistance to change
 4. Supplementing existing courses
 5. Overwhelming levels of information

3.3 OBJECTIVE OF THE STUDY:

Following are the objectives of the study:

- To understand the concept of home loans schemes.
- To understand the documents involved in the home loans and the repayment methodology.
- To detail about the interest rates and tenure to be chosen for repayment.
- To know more about the innovative home loan schemes and the risk capturing mechanisms.

3.4 STATEMENT OF THE PROBLEM:

Traditionally, banks have recruited young school leavers, and their initial training was either long apprenticeship or on-the-job or formal training in basic routine operations.

In Banks, there is a need for the continuous training and development of the staff in the areas of customer care services on operational aspects and behavioral aspects of the business.

The training needs are assessed through task analysis and performance Analysis.

It was argued that banking requires exercise of sound training and development programmes for their employees.

3.5 RESEARCH METHODOLOGY:

Research is the process of systematic and in-depth study or search for any particular topic, subject or area of investigation, backed by collection, compilation, presentation and interpretation of relevant details or data.

RESEARCH PROCESS:

In research process, the first and foremost step is defining and selecting a research problem. A Researcher should at first find the problem. Then should formulate it so that it becomes susceptible to research

3.6 PERIOD OF SURVEY:

- Two months

3.7 Research Design :

- * **Type of Design** : Exploratory research design.
- * **Sample size** : The sample comprises of 100 respondents
- * **Research Area** : Dharmapuri Branch
- * **Sampling Technique** : Random Sampling
- * Questionnaire Preparation
- * Collecting Data from Employee
- * Analysis of Data
- * Testing of Hypothesis
- * Analysing using SPSS Tools
- * Findings

Questionnaire Preparation:

The questionnaire is prepared based on the need of present employees working due to recent changes working style and to get upadated with current technology.

Collecting Data from Employee:

The Data is being collected from employees with the help of Google Form.

Analysis of Data:

The Collected Data obtained is analysed and interpreted using charts and tables.

Testing of Hypothesis:

Hypothesis and is tested using SPSS Package.

Analysing using SPSS Tools:

The data is imported in SPSS and analysed using required tools.

Findings:

The findings are listed in the form of tables.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Percentage Analysis

Table 1: Gender

Gender	No.of Respondents	Percentage
Male	60	60%
Female	40	40%

Source: Primary Data

INTERPRETATION:

From the above table, it is found that 60% of respondents are Males and remaining 40% are females.

Chart 1: Gender

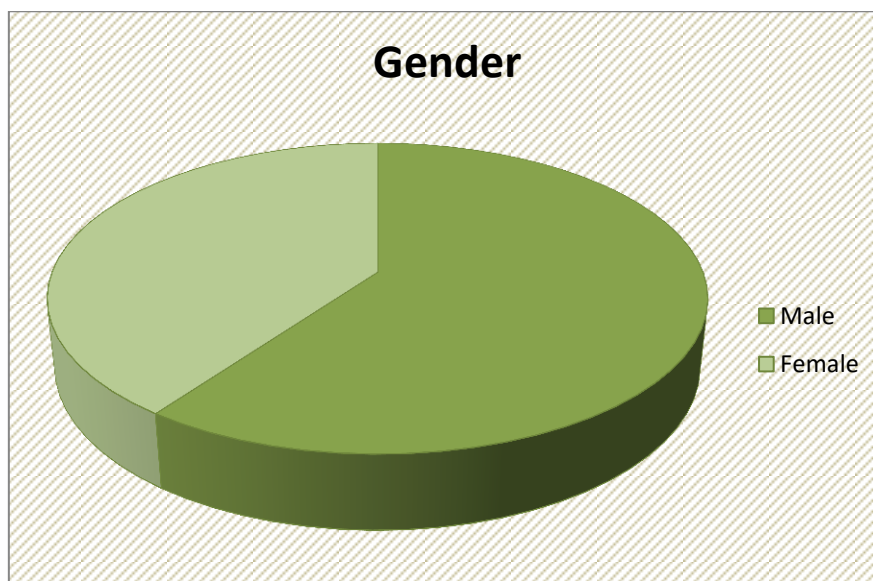


Table 2: Occupation

Occupation	No.of Respondent	Percentage
Govt.Employee	18	18%
Private Employee	37	37%
Self-Employed Professional	23	23%
SelfEmployed Non-Professional	14	14%
Unemployed	8	8%

Source: Primary Data

INTERPRETATION:

From the above table,it is found that majority of 37% of respondents are from private employee.

Chart 2: Occupation

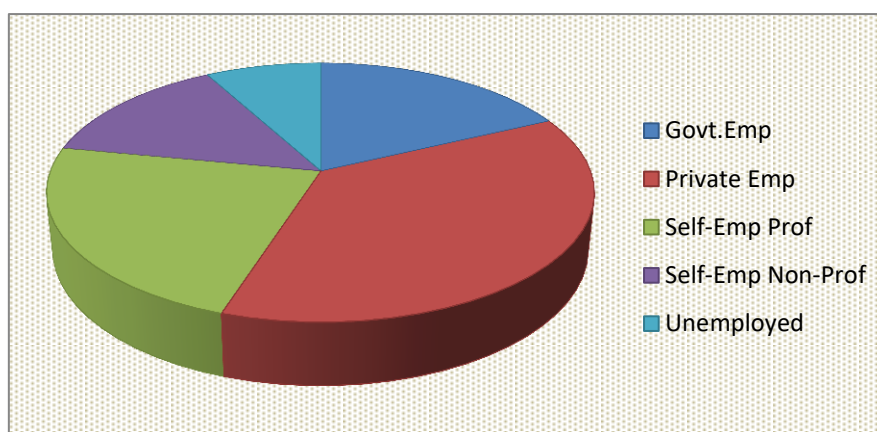


Table 3: Income

Income	No.of Respondents	Percentage
Below 2Lakhs	15	15%
2-6 Lakhs	23	23%
6-12 Lakhs	37	37%
Above 12Lakhs	25	25%

Source: Primary Data

INTERPRETATION:

From the above table, it is found that 15% of respondents receive income below 2 lakhs, 23% of respondents receive 2-6 lakhs, 37% of respondents receive income 6-12 lakhs and 25% of respondents receive above 12 lakhs.

Chart 3: Income

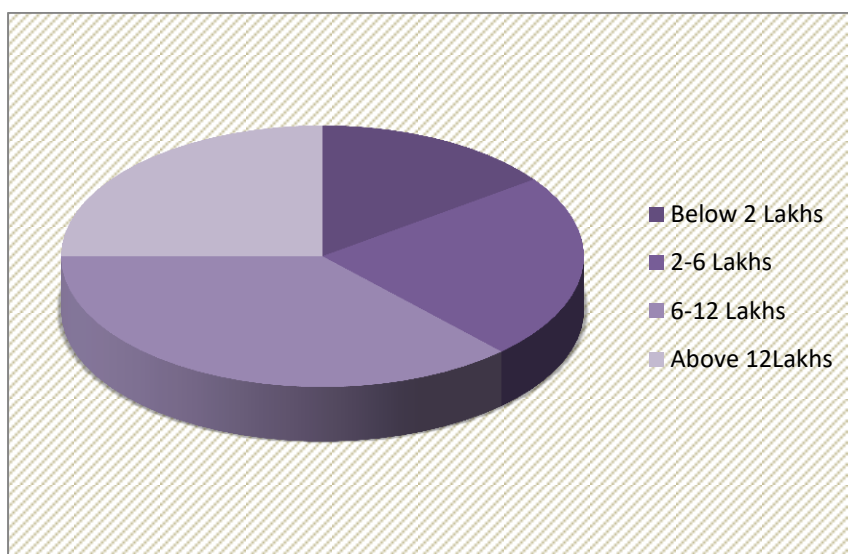


Table 4: Type of House

Type of House	No.of Respondents	Percentage
Individual Villa	81	81%
Flats	19	19%

Source: Primary Data

INTERPRETATION:

From the above table, it is found that 81% of respondents are in individual villa and remaining 19% are in flats.

Chart 4: Type of House

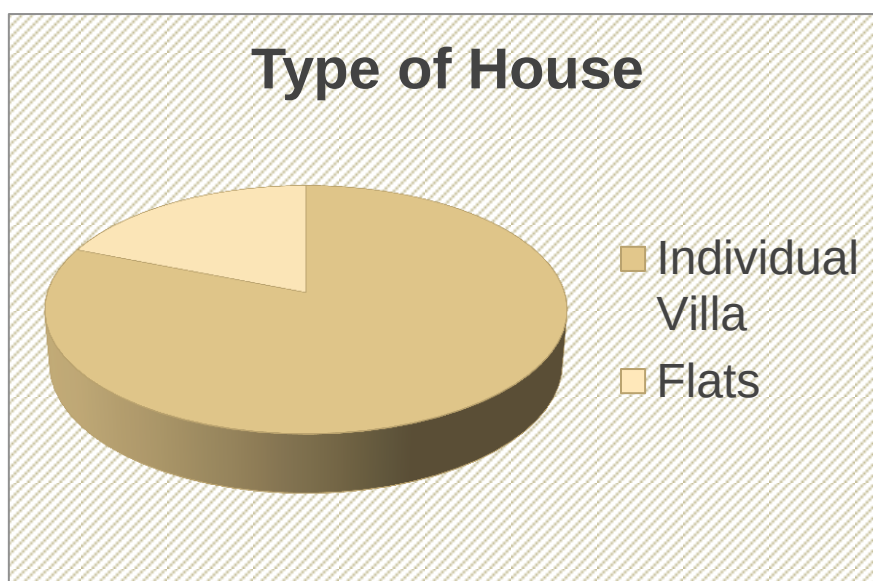


Table 5: Category of House

Category of House	No.of Respondents	Percentage
Own House	70	70%
Rental House	30	30%

Source: Primary Data

INTERPRETATION:

From the above table,it is found that 70% of respondents are in own house and remaining 30% are in rental house.

Chart 5: Category of House

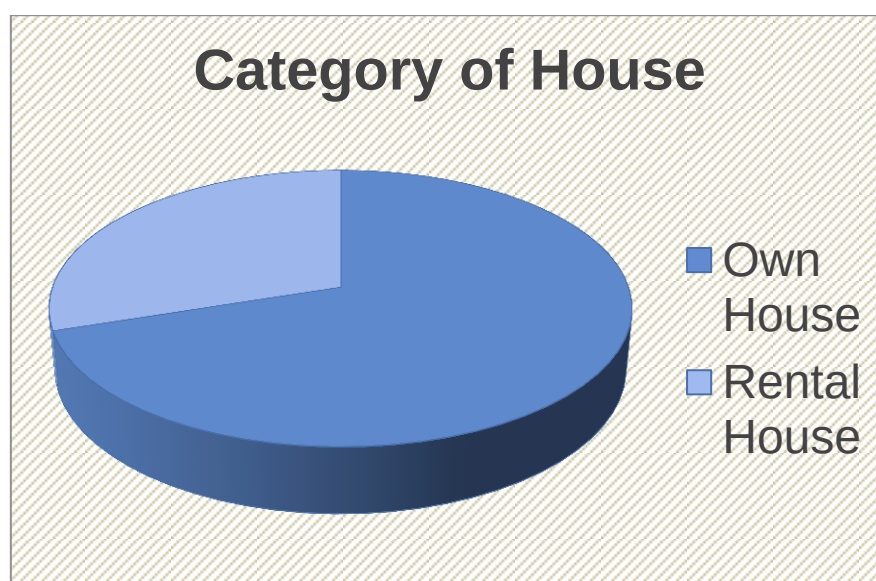


Table 6: Ownership

Ownership	No.of Respondents	Percentage
Parents	36	36%
Spouse	32	32%
Relative	8	8%
Others	24	24%

Source: Primary Data

INTERPRETATION :

From the above table, it is found that 36% of respondents owner is their parents, 32% of respondents owner is their spouse, 8% of respondents owner is their relatives and 24% of respondents owner is others.

Chart 6: Ownership

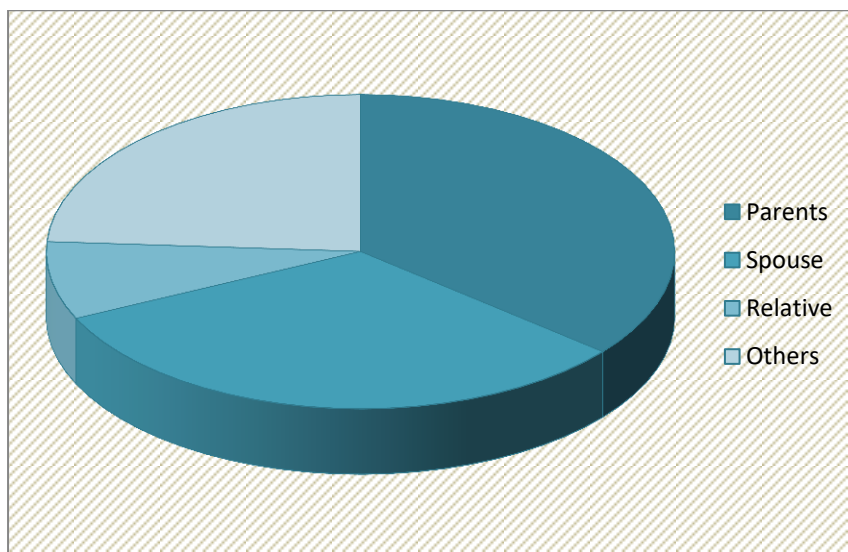


Table 7: Primary Bank

Primary Bank	No.of Respondent	Percentage
ICICI Bank	65	65%
HDFC Bank	10	10%
Axis Bank	7	7%
Govt.Sector Banks	18	18%

Source: Primary Data

INTERPRETATION :

From the above table,it is found that 65% of respondents primary bank is ICICI Bank,10% of respondents in HDFC Bank ,7% of respondents in Axis Bank and 18% of respondents in Govt.Sector Banks.

Chart 7: Primary Bank

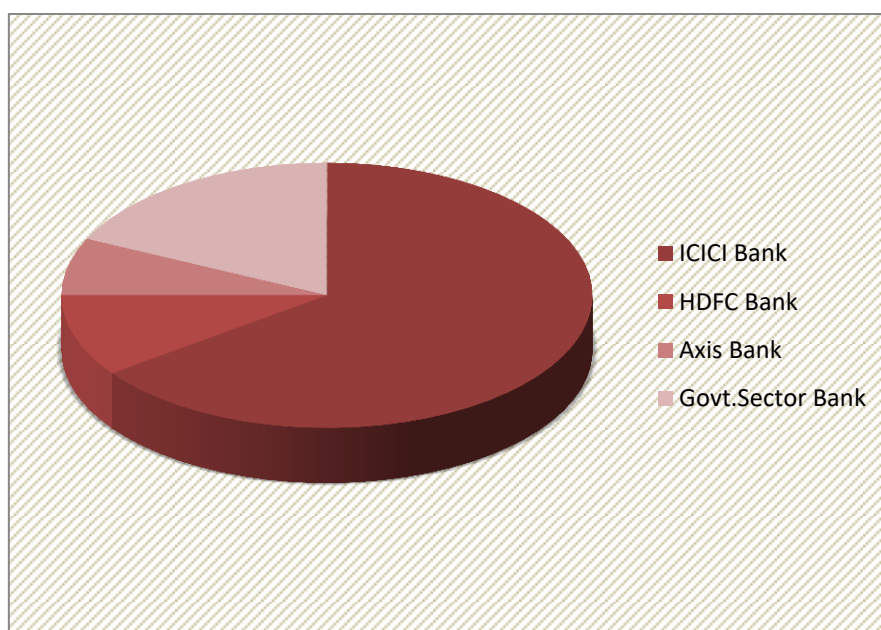


Table 8: Preferred Bank for Home Loan

Preferred Bank for Home Loan	No.of Respondents	Percentage
Primary Bank	65	65%
Other Bank	35	35%

Source: Primary Data

INTERPRETATION :

From the above table, it is found that 65% of respondents prefer their primary bank and 35% of respondents prefer other banks.

Chart 8: Preferred Bank for Home Loan

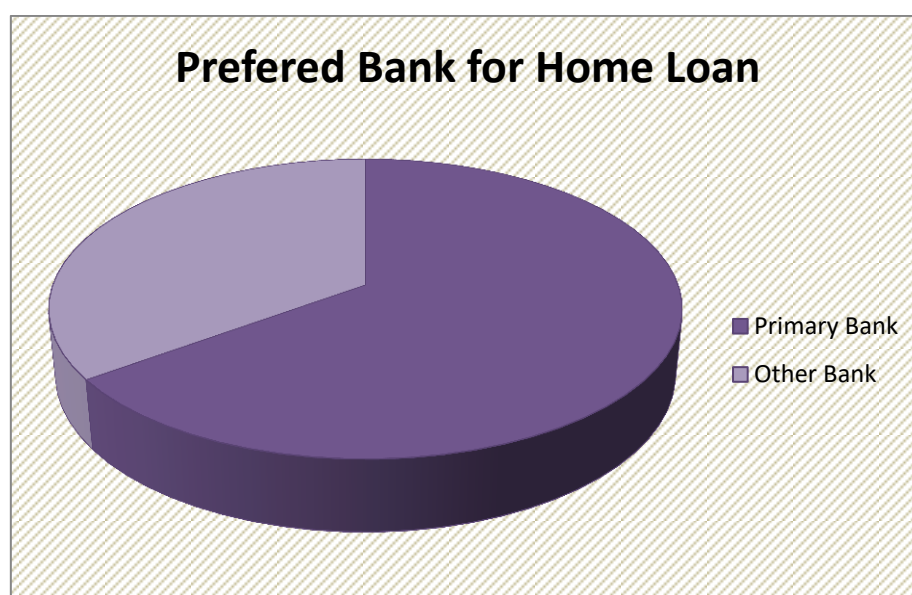


Table 9: Status of Home Loan

Status of Home Loan	No.of Respondents	Percentage
Primary Bank	90	90%
Other Bank	10	10%

Source: Primary Data

INTERPRETATION :

From the above table, it is found that 90% of respondents are new home loan customers and remaining 10% are existing home loan customers.

Chart 9: Status of Home Loan

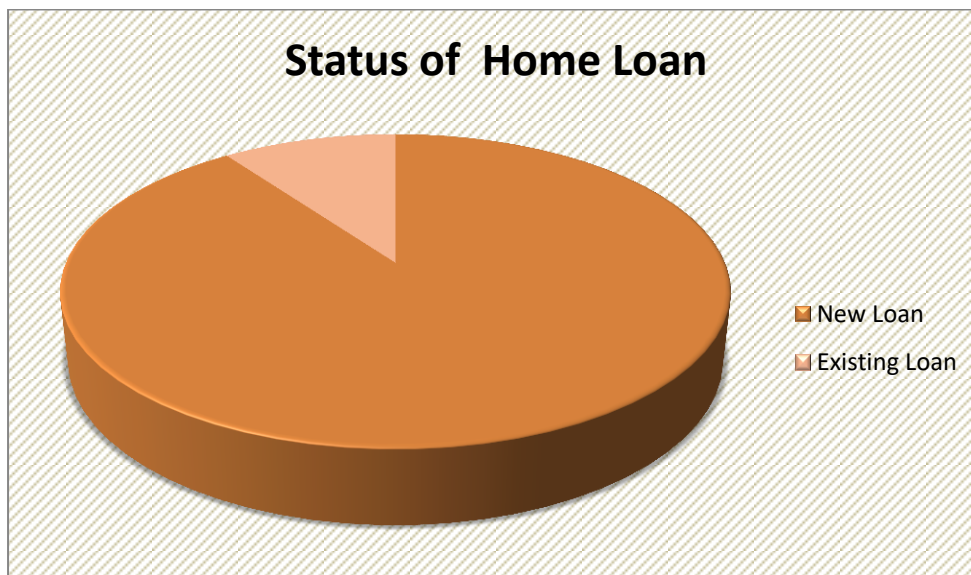


Table 10: Type of Loan

Type of Loan	No.of Respondent	Percentage
Construction Loan	35	35%
Buying Flat/House	26	26%
Balance Transfer	9	9%
Land Loan	11	11%
PMAY	19	19%

Source: Primary Data

INTERPRETATION :

From the above table, it is found that majorly 46.7% of respondents says that Yes training helps to reduce stress.

Chart 10: Type of Loan

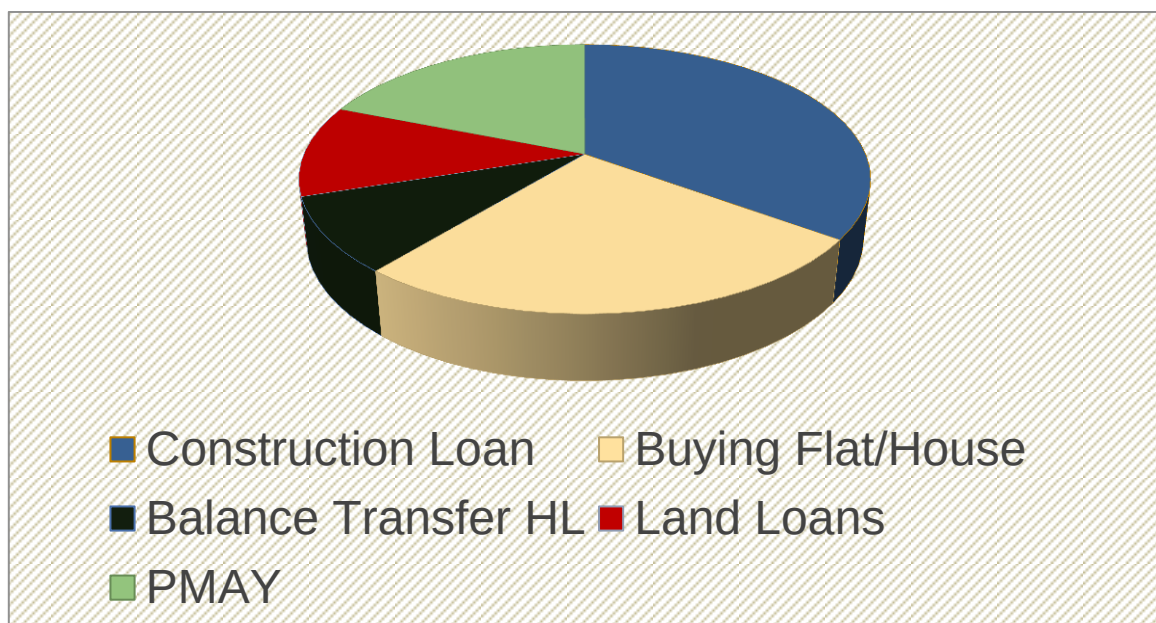


Table 11: Repayment Tenure

Repayment Tenure	No.of Respondent	Percentage
5-10years	30	30%
10-20 years	65	65%
30 Years	5	5%

Source: Primary Data

INTERPRETATION :

From the above table,it is found that majority of 65% prefer repayment between 10-20years.

Chart 11: Repayment Tenure

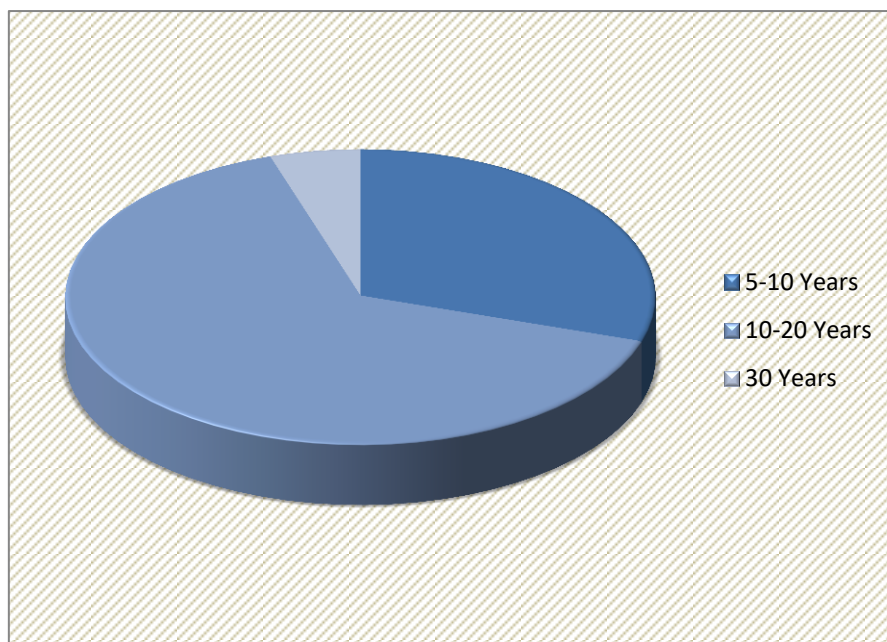


Table 12: Extension Loan

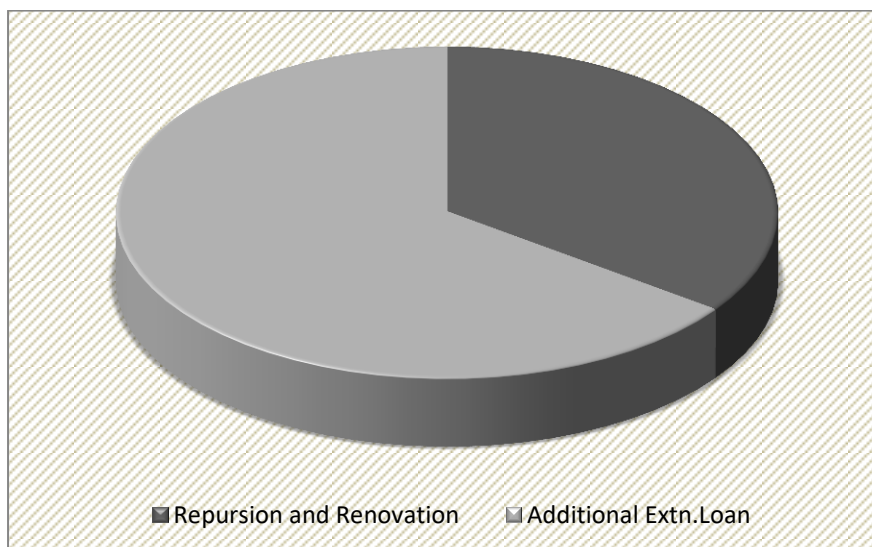
Extension Loan	No.of Respondent	Percentage
Repursion and Renovation	35	35%
Additional Extended Loan	65	65%

Source: Primary Data

INTERPRETATION :

From the above table, it is found that majority of 65% prefer additional extended loan.

Chart 12: Extension Loan



Source: Primary Data

4.2 STATISTICAL ANALYSIS:

ONE SAMPLE T-TEST :

Hypothesis:

Null Hypothesis (H0) : There is no significant relationship between time taken to process the loan and disbursement of loan.

Alternate Hypothesis(H1) : There is a significant relationship between time taken to process the loan and disbursement of loan.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Time Taken To Process Loan	100	4.09	.668	.067
Disbursement of Loan	100	1.05	.334	.034

One-Sample Test

Test Value = 0

	t	df	Significance		Mean Difference	95% Confidence Interval of the Difference	
			One-Sided p	Two-Sided p		Lower	Upper
Time Taken To Process Loan	61.218	99	<.001	<.001	4.090	3.96	4.22
Disbursement of Loan	30.54	99	<.001	<.001	2.045	1.98	2.10

One-Sample Effect Sizes

		Standardiz er ^a	Point Estimate	95% Confidence Interval	
				Lower	Upper
Time Taken To Process Loan	Cohen's d	.668	6.122	5.247	6.994
	Hedges' correction	.673	6.075	5.207	6.941
Disbursement of Loan	Cohen's d	.234	3.066	2.623	3.497
	Hedges' correction	.241	3.037	2.603	3.470

a. The denominator used in estimating the effect sizes.

Cohen's d uses the sample standard deviation.

Hedges' correction uses the sample standard deviation, plus a correction factor.

INTERPRETATION:

Since p value 0.067 is greater than 0.05 null hypothesis is accepted and alternate hypothesis is rejected. Hence, there is no significant relationship between time taken to process the loan and disbursement of loan.

4.3 CHI-SQUARE:

Hypothesis:

Null Hypothesis (H0) : There is no significant difference regarding repayment of Home Loan based on Gender.

Alternate Hypothesis (H1) : There is a significant difference regarding repayment of Home Loan based on Gender.

Case Processing Summary

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
GENDER * Repayment Of Homeloan	100	100.0%	0	0.0%	100	100.0%

Crosstab

Count

		REPAYMENTOFHOMELOAN			Total
		10-20 YEARS	30 YEARS	5-10 YEARS	
GENDER	Female	20	2	18	40
	Male	45	3	12	60
Total		65	5	30	100

Chi-Square Tests

	Value	df	Asymptotic Significance(2sided)
Pearson Chi-Square	3.288 ^a	2	.193
Likelihood Ratio	4.771	2	.092
N of Valid Cases	100		

- a. 2cells (33%)have expected count less than 5.
The minimum expected count is 1.73.

INTERPRETATION:

Since p value 0.193 is greater than 0.05 null hypothesis is accepted and alternate hypothesis is rejected.Hence, there is no significant difference regarding repayment of Home Loan based on Gender.

FREQUENCY TEST:

Type of Home Loan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Balance Transfer Home Loan	9	9.0	9.0	9.0
	Loan For Construction Of House	35	35.0	35.0	44.0
	Loan For Lands	11	11.0	11.0	55.0
	Loans For Purchase Of House/ Flat	26	26.0	26.0	81.0
	Pradhan Mantri Awas Yojna	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

Case Processing Summary

	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
Occupation * Repayment Of Home Loan	100	100.0%	0	0.0%	100	100.0%
Primary Bank Account * Repayment Of Home Loan	100	100.0%	0	0.0%	100	100.0%

Report

Repayment Of Home Loan		Occupation	Primary Bank Account
10-20 YEARS	N	65	65
30 YEARS	N	5	5
5-10 YEARS	N	30	30
Total	N	100	100

INTERPRETATION:

From the above data,more people prefer the repayment period to choose between 10-20years.

CHAPTER 5

FINDINGS, SUGGESTION AND CONCLUSION

5.1.FINDINGS:

1. Majority (60%) of the respondents are *Male*.
2. Majority (37%) of the respondents are occupied as *private employee*.
3. Majority (37%) of the respondents income is between *6-12Lakhs p.a.*
4. Majority (81%) of the respondents prefer *individual type* of villa.
5. Majority (70%) of the respondents are presently living in their *own house*.
6. Majority (36%) of the respondents resident *owners are their parents*.
7. Majority (65%) of the respondents have their *primary account in ICICI BANK*.
8. Majority (65%) of the respondents prefer their *primary bank to take further loan*.
9. Majority (90%) of the respondents says that prefer to take *fresh new loan*.
10. Majority (35%) of the respondents are interested in *taking loan as construction* for home.
11. Majority (65%) of the respondent prefer their *repayment between 10-20years*.
12. Majority (65%) of the respondents also prefer to take *additional extended loan* for further extension.

5.2 SUGGESTIONS:

- ICICI Bank having good brand image in the minds of customers.
- Majority of the people got loans from ICICI Bank only.
- Most of the customers are not aware of the products of ICICI home loans.
- Some of the customer's felt that the interest rates are some what high.
- Some of the customer not having good faith on private banks.
- Most of the people are directly go to bank to apply a home loan.
- Some of the customer of ICICI already benefited through ICICI home loan products and services.
- Customer awareness is medium about ICICI products.

5.3 RECOMMENDATIONS :

- Create awareness: The Company has to take care of awareness creation about the products and services among the customers.
- Charges: The Company has to reduce the mortality and administration charges.
- The process is some what late to sanction a loan.
- The company has to reduce their interest rates on home loan products and services.
- The company has to identify the potential customers. Production promotion strategies should be improved.
- Company should consider the present competition and should act according to the customer needs.

5.4. LIMITATIONS OF STUDY:

- ✓ The study is confined to Dharmapuri District only due to time constraint.
- ✓ Getting timely responses from the respondents was a difficult task due to their regular routine activities.
- ✓ The data collected for the research is fully on primary data given by the respondents. There is chance for personal bias,so the accuracy is not true.
- ✓ The study has been limited 100 respondents only.
- ✓ Limited time for survey is other constrain.

5.5. CONCLUSION

- In my study we came to know that many peoples are interested to take a home loan from ICICI bank to construct their homes.
- Home loans have long period when compare to other personal loans and other loans. So peoples are interested to take a home loan as it becomes an asset.
- Even though the interest rates are high peoples are willing to take a loan from ICICI bank due to quick process and sanctioning with expert teams.
- The loan sanction process is much faster when compare to other banks.
- For disbursement process is also it will take less time and less number of stages when compare to other banks.
- Finally, Home Loan is best income for banks for long time and customers also get their dreams fulfilled.

QUESTIONNAIRE:

1) Name :

2) Gender:

a. Male

b. Female

3) AGE:

4) CONTACT NUMBER

5) e-mail id

6) OCCUPATION

i. GOVERNMENT EMPLOYEE

ii. PRIVATE EMPLOYEE

iii. SELF EMPLOYED – PROFESSIONAL

iv. SELF EMPLOYED- NON PROFESSIONAL

V. UNEMPLOYED

7) YOUR ANNUAL INCOME

- i. BELOW 2 LAKHS
- ii. 2-6 LAKHS
- iii. 6-12 LAKHS
- iv. ABOVE 12 LAKHS

8) WHICH TYPE OF HOUSE YOU LIVE IN?

- i. INDIVIDUAL VILLA
- ii. FLATS IN APARTMENT

9) DO YOU LIVE IN OWN HOUSE OR RENTAL HOUSE?

- i. OWN HOUSE
- ii. RENTAL HOUSE

10) WHO OWNS THE HOUSE YOU PRESENTLY LIVE IN?

- i. PARENTS
- ii. SPOUSE
- iii. RELATIVE
- iv. OTHERS

11) IN WHICH BANK DO YOU HAVE YOUR PRIMARY ACCOUNT?

- i. ICICI BANK
- ii. HDFC BANK
- iii. AXIS BANK
- iv. GOVERNMENT SECTOR BANKS

12) HAVE YOU TAKEN ANY HOME LOAN PREVIOUSLY?

- i. YES
- ii. NO

13) WHAT TYPE OF HOME LOAN YOU NEED?

- i. LOAN FOR CONSTRUCTION OF HOUSE

- ii. LOANS FOR PURCHASE OF HOUSE/ FLAT
- iii. BALANCE TRANSFER HOME LOAN
- iv. NRI HOME LOAN4
- v. LOAN FOR LANDS
- vi. PRADHAN MANTRI AWAS YOJNA

14) WHAT WILL PREFERED TENURE FOR REPAYMENT OF HOME
LOAN?

- i. 2-5 YEARS
- ii. 5-10 YEARS
- iii. 10-20 YEARS
- iv. 30 YEARS

15) WHICH TYPE OF EXTENDED HOMELOAN WILL YOU PREFER?

- i. REPURSION AND RENOVATION LOAN
- ii. HOME IMPROVEMENT LOAN

16) CHOOSE PARAMETERS BASED ON YOUR PREFERENCES OF
LOAN

- i. LOAN AMOUNT
- ii. INTEREST RATE
- iii. PROCESSING CHARGES

17)YOUR SATISFACTORY LEVEL FOR TIME TAKEN TO PROCESS
LOAN

- i. Too much Delayed
- ii. Delayed
- iii. Normal time taken
- iv. Faster
- v. Much Faster

18) YOUR SATISFACTORY LEVEL ON AMOUNT DISBURSEMENT
STAGE

- i. Too much Delayed
- ii. Delayed
- iii. Normal time taken
- iv. Faster
- v. Much Faster

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