

PROJECT REPORT

ON

“A STUDY OF HOME LOAN IN HDFC BANK”

Submitted to:
BBA Department Autonomous,

G.S. College of Commerce & Economics, Nagpur.

Affiliated To:
Rashtrasant Tukadoji Maharaj Nagpur University

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by:
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Under the Guidance of:
Dr. PRAGATI RICHA PANDEY

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021-22



G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021-22



CERTIFICATE

This is to certify that “**POOJA RAMESH KANOJIYA** ” has submitted the project report titled “**A STUDY OF HOME LOAN IN HDFC BANK**”, towards partial fulfilment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she ingeniously completed his/her project as prescribed by **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

Dr. PRAGATI RICHA PANDEY
(**PROJECT GUIDE**)

Dr. AFSAR SHEIKH
(**CO-ORDINATOR**)

PLACE: NAGPUR

DATE :

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021-22



DECLARATION

I here-by declare that the project with title “**A STUDY OF HOME LOAN IN HDFC BANK**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur** and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

PLACE : NAGPUR

POOJA RAMESH KANOJIYA

DATE :

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2021-22



ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. N.Y.KHANDAIT, Principal, g.s.college of Commerce & Economics, Nagpur.**

I am extremely thankful to my Project Guide **Dr. PRAGATI RICHA PANDEY** for his/her guideline throughout the project. I tender my sincere regards to **Dr. AFSAR SHEIKH** for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

PLACE: NAGPUR

POOJA RAMESH KANOJIYA

DATE :

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INTRODUCTION





Home is a dream of a person that shows the quantity of efforts, sacrifices luxuries and above all gathering funds little by little to afford one's dream. Home is one of the things That everyone one wants to own. Home is a shelter to person where he rests and feels comfortable. Many banks providing home loans whether commercial banks or financial institutions to the people who want to have a home.

HDFC-(Housing Development And Finance Corporation) Home Loan, India have been serving the people for around three decades and providing various housing loan according to their varied needs at attractive & reasonable interest rates. Owing to their wide network of financing, HDFC Housing Loans provides services at your doorstep and helps you find a home as per your requirements.

Many banks are providing home loans at cheapest rate to attract consumers towards them. The more customer friendly attitude of these banks, currently offer to consumers cheapest loan over homes.

With the RBI reducing bank rate, the home loan market rates nose-diving by 50 basis points. The HDFC Bank and Standard chartered bank has become the first player in this sector to announce a housing loan for a 20 years period.



HDFC also provides with Home Improvement Loan for internal and external repairs and other structural improvements like painting, waterproofing, plumbing and electric works, tiling and flooring, grills and aluminium windows. HDFC finances up to 85% of the cost of renovation (100% for existing customers).

Current status is that HDFC reduced home loan rates by 50 basis points for all its existing floating rate customers.

1.1 ADVANTAGES OF HOME LOAN:-

Attractive interest rate:-

The various banks offer attractive interest rates to boost and help their customers. Many banks provide loans on fixed or floating rates to facilitate consumers as per their needs.

Help in owning a home:-

The home availed by a person with the help of banks, because they provide technical and financial assistance to customers for owning their dream home.



No requirement of guarantor:-

The commercial banks now a day, liberalise their laws regarding home loans. Some of banks don't even require the guarantor to grant loan to their consumers. They also make consumers free by reliving him to find a guarantor to complete the proceedings of availing loan.

Door-Step Services:-

These doors to step services are provided from enquiry stage to the final disbursement takes place such services are beneficial for customers in present busy life. Banks like ICICI bank and standard chartered bank provide door to step services to customers to borrow loan.



Loan period:-

There are many banks which provide maximum loan tenures upto 15-20 years based on the loan amount and the creatibility of customers. This relieves the customers to repay loan amount till a long period.

For accidental death insurance:-

Some banks provide free accidental death insurance with housing loan which is also beneficial for the customers.

These benefits or advantages of home loans are responsible for making them so popular among customers that a person who doesn't have their home and want to buy, they do it with

1.2 DISADVANTAGES OF HOME LOANS:-

The main disadvantages of home loans are highlighted as below:

(1) Delays in processing:-

Many times, there are huge delays in processing of providing home loans because various formulations to be fulfilled in this process. Due to these delays customers feel mentally as well as financially weak.



(ii) Fluctuating interest rates :-

Some banks give home loans at floating rates, which fluctuate at Different intervals due to some reasons. These changes sometimes, may lead to increase in interest rate which will increase the cost of home loans to the customers

(iii) High Cost:-

The public sector banks charge high processing cost for home loan's sanctioning. They are forced to pay serious charges at various stages to fulfill the requirements. Some consumers are not able to pay such charges so such people could not avail the benefits of home loan schemes.



(iii) Problems in disbursement:-

There are many problems in disbursement of home loan amount. There are some delays in disbursement of loan amount to the customers due to legal formalities. This causes problems to the customers.

These are limitations or disadvantages of home loans. But some times some banks charges high installments to repay loan amount. Such also causes problem to customers. These limitations can be removed by providing good and promote services to the customers.

1.3 DISBURSEMENT OF HOME LOANS:-



a) Rate of interest = 8.40%-8.95% or 10.15%-10.45% (R.B.I)

b) Time period = 10 – 20 years

c) Limit = minimum 5 lacks.

Maximum 500 cr. Or above

d) Location = NCR OR DELHI [Area are authorized by G.D.A]

e) Registry

f) Passing map

g) Marketing value of property



All Housing Finance Institutions lay down conditions on who can be co-applicants. All co-owners to the property. Need to be co-applicants to the loan necessarily. These institutions do not permit minors to join in as either coowner or as co-applicants because a minor is not eligible to enter into a contract as per law. They do not permit even friends or relatives who are not blood relatives to take a property jointly. However, Income of co-applicants can be clubbed together to get higher loan eligibility. Given below is a Table that throws light on acceptable relationship of a co-applicant for clubbing of income.



Income Clubbing of Co-applicants: - It is as follows:-

Combination Income Clubbing: -

- **Husband-Wife:** - Income of husband-wife can be clubbed.

- **Parent - son:** - It can be clubbed if only son is there but not if any male sibling exists.

- **Brother-Brother:** - If they are currently staying together and intend to stay together in the new property, then only, their income-can be clubbed for above purposes.

- **Brother-Sister:** - No clubbing-is possible.

- **Sister-Sister:** - No clubbing is possible.

- **Parent-Minor- Child:** - No clubbing is possible in this case also.



a) The income of the salaried individual is considered in the following manner:-

Gross monthly income as it appears on the salary slip

Less:- Any non regular variable income appearing on the salary slip (including overtime, etc.)

Add: - 50 per cent of the average variable income of the last six months.

Add: - Any fixed cash/voucher payments for which proof can be submitted.

Add: - 50 per cent of the average variable cash/voucher payments with proof like traveling reimbursement etc.

Add: - HRA receivable if not being received already in the salary slip.



Average of the net profits of last 2 years as it appears in the profit and loss account (Returns need to be filed for the same. They should be filed regularly before the due date is over).

Less: - Any income, which is unusual and non-recurring in nature like sale of some asset, etc which affects profits substantially,

Add: - Any expense that is unusual and non-recurring in nature like repairs and maintenance that has not been capitalized and effect profit adversely.

Add: - 50 per cent of the average depreciation of the last two years. The above income is calculated for the calculation of eligibility using IIR and FOIR norms.



CUSTOMER PROFILE

Documents:-

If customer is self employed:-

A) **LD PROOF:-**

- pan card
- driving license
- voter i.d card

B) **ADDRESS PROOF:-**

- Aadharcard
- pass book
- Electricity bill
- telephone bill (landline/ postpaid)
- rashan card
- rent agreement (if customer are live in rent)

C) **BUSINESS PROOF:-**

- visiting card
- compay profile
- letter head

D) **BANK STATEMENT:-**

- LAST 6 MNTH BANK STATEMENTS (UPDATE)
- COMPUTATION P&L A/C , BALANCE SHEET

E) **INCOME TAX RETURN:-**

- LAST 3 YRS. SALARY SLIP



2 PHOTOS / PROPERTY CHAIN PAPER

IF CUSTOMER IS SALARY BASED:-

A) LD PROOF:-

- PAN CARD
- DRIVING LICENSE
- 3YRS. SALARY SLIP
- JOINING LETTER
- OFFER LETTER + RELEVANT LETTER

B) ADDRESS PROOF:-

(SAME AS)

C) BANK STATEMENT:-

(SAME AS)

D) INCOME PROOF :-

- SALARY SLIP
- FORM 16

COMPANY PROFILE OF HDFC





INTRODUCTION:-

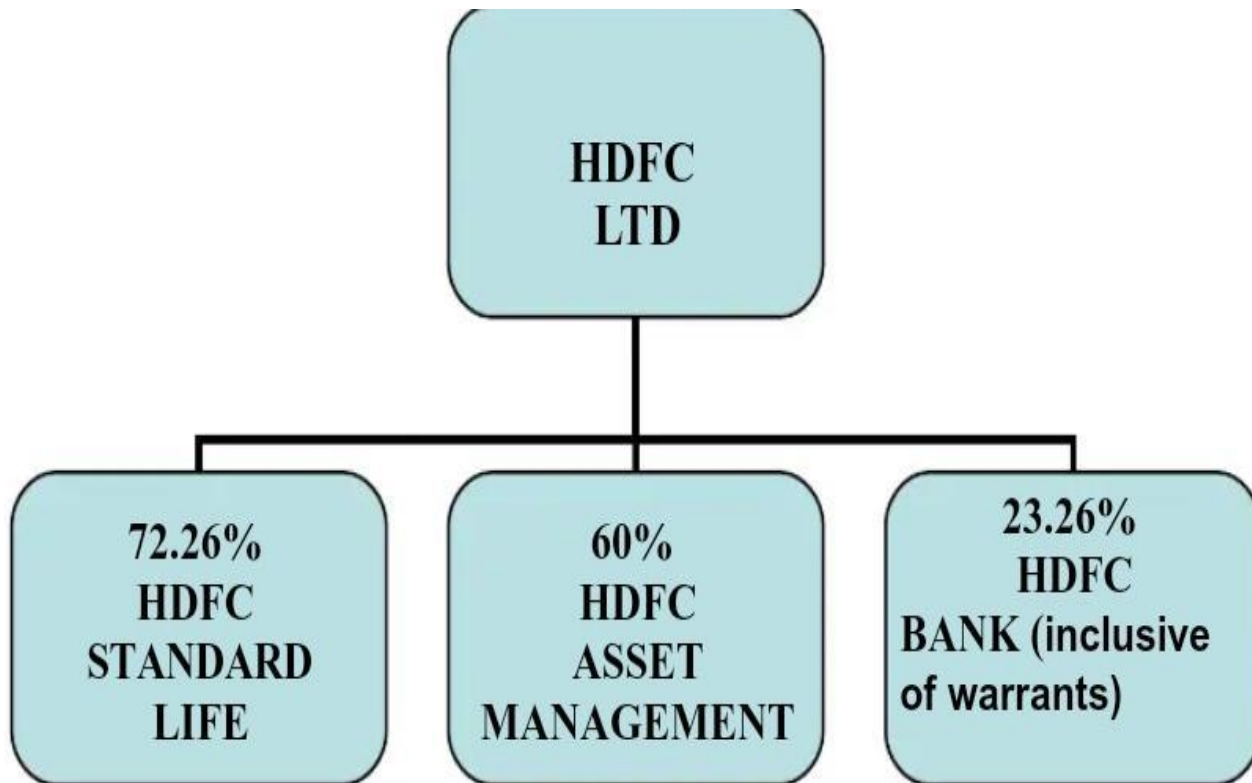
Housing Development Finance Corporation Limited , founded 1977 by Ravi Maurya and Hasmukhbhai Parekh, is an Indian NBFC, focusing on home mortgages. HDFC's distribution network spans 243 outlets that include 49 offices of HDFC's distribution company, HDFC Sales Private Limited. In addition, HDFC covers over 90 locations through its outreach programmes. HDFC's marketing efforts continue to be concentrated on developing a stronger distribution network. Home loans are also Sharcket through HDFC Sales, HDFC Bank Limited and other third party Direct Selling Agents (DSA).

HDFC Incorporated in 1977 with a share capital of Rs 10 Crores, HDFC has since emerged as the largest residential mortgage finance institution in the country. The corporation has had a series of share issues raising its capital to Rs. 119 Crores. The gross premium income for the year ending March 31, 2014 stood at Rs. 2,856 Crores and new business premium income at Rs. 1,624 Crores. The company has covered over 8, 77,000 lives year ending March 31, 2014.



HDFC operates through almost 450 locations throughout the country with its corporate head quarters in Mumbai, India. HDFC also has an International Office in Dubai, UAE with service associates in Kuwait, Oman and Qatar. HDFC is the largest housing company in India for the last 35 years.

- Incorporated in 1977 as the first specialized Mortgage Company in India.
- Almost 90% of initial shareholding in the hands of domestic institutes and retail investors. Current 77% of shares held by foreign institutional investors.
- Besides the core business of mortgage HDFC has evolved into a financial conglomerate with holdings In:



- ✓ HDFC Standard Life insurance Company- HDFC holds 72.26 %.
- ✓ HDFC Asset Management Company – HDFC holds 60%
- ✓ HDFC Bank- HDFC holds 23.26%.
- ✓ Intelenet Global (Business Process Outsourcing) – HDFC holds 50%.
- ✓ HDFC Chubb General Insurance Company – HDFC holds 74%.



• Loan Approvals (Up to Dec 2017)	Rs. 805 billion. (US \$ 18.30 billion.)
• Loan Disbursements (Up to Dec. 2017)	Rs.669 billion (US \$ 15.20 billion)
• Housing Units financed	2.5 million.
• Distribution	
➤ Offices	181
➤ Outreach Programs	90



Type	Public (BSE: <u>500010</u>)
Founded	1977
Headquarters	<u>Mumbai, India</u>
Key people	<u>Ravi Maurya</u> <u>Hasmukhbhai Parekh</u>
Industry	Housing Finance
Revenue	<u>US\$ 1.49 billion (2008)</u>
Employees	1,029
Website	<u>www.hdfc.com</u>



KEY EXECUTIVE HDFC HOUSING DEVELOPMENT FINANCE CORP LTD :-

Mr. Deepak S Parekh: - serves as Executive Chairman and Chief Executive Officer of the Board of Housing Development Finance Corp. Ltd., (HDFC). He joined HDFC Limited in a senior management position in 1978. He was inducted as a whole-time director of HDFC Limited in 1985 and was appointed as its Executive Chairman in 1993. He is the Chief Executive Officer of HDFC Limited. Mr. Parekh is a Fellow of the Institute of Chartered Accountants (England & Wales).

Mr. K.M Mistry: - The Managing Director of the Corporation. He has been employed with the Corporation since 1981 and was the executive director of the Corporation since 1993. He was appointed as the deputy managing director in 1999 and the Managing Director in 2000. He is also a member of the Investors' Grievance Committee of Directors.



Ms. Renu S. Karnad: - The Executive Director of the Corporation. She has been employed with the Corporation since 1978 and was appointed as the Executive Director of the Corporation in 2000. She is responsible for overseeing all aspects of lending operations of HDFC. New Delhi.

BOARD OF DIRECTORS:-

Mr. D S Parekh - Chairman	Mr. D N Ghosh
Mr. Keshub Mahindra - Vice Chairman	Dr. S A Dave
Ms. Renu S. Karnad - Executive Director	Mr. S Venkitaramanan
Mr. K M Mistry - Managing Director	Dr. Ram S Tarneja
Mr. Shirish B Patel	Mr. N M Munjee
Mr. B S Mehta	Mr. D M Satwalekar



GROUP COMPANIES:-

- HDFC Bank: World Class Indian Bank- among the top private banks in India.
- HDFC AMC: One of the top 3 AMCs in India- Preferred investment manager.
- Intelenet Global: BPO services for international customers.
- CIBIL: Credit Information Bureau India Limited.
- HDFC Chubb: Upcoming Private companies in the field of General Insurance.

OBJECTIVE OF STUDY





There is no strongest foundation for your dream home, than a cheap loan. Home loans have become those stronger foundations for people who want to own a home. The main objectives of the study are as follows:-

- 1) The main objective of this study is to know the Customers perceptions about home loans of HDFC housing development finance corporation LTD.
- 2) Generating good business to the company by promoting and selling the products of HDFC LTD.
- 3) To study the problems faced by customers in obtaining the home loans.
- 4) Visiting the customers and closing the deal.
- 5) To learn about various aspect of hdfc home loan ltd.

SCOPE OF STUDY





The Indian housing industry has grown by leaps and bound in few years. Total home loan disbursement by banks risen which witness phenomenal growth from last 5 years. There are greater number of borrowers of home loans. So by study we can find out satisfaction level of customers and problem faced by them in obtaining home loan.

NEED OF STUDY



- 1) To know the idea of customers about home loan products and services.
- 2) To study the satisfaction level of customers about home loan.
- 3) To study the problems faced by customers in obtaining home loans.
- 4) To learn about various aspect of HDFC home loan Ltd.

IMPORTANCE OF STUDY





The main purpose of this study is to attain the knowledge of the processing system of home loans. The main purpose of the study is as follows:-

- To know the ideas of customers about home loan products and services.
- To study the satisfaction level of customers about home loans.
- To study the problems faced by customers in obtaining the home loans.
- To learn about various aspect of HDFC home loan ltd.



HYPOTHESIS

NULL HYPOTHESIS :

H₀ – “ HDFC Bank does not provide home loan at low interest rate”.

ALTERNATIVE HYPOTHESIS :

H₁ – “ HDFC Bank provides home loan at low interest rate”.

RESEARCH METHODOLOGY





Research methodology is a way to systematically show the research problem. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research methods but also the methodology.

This Section includes the methodology which includes. The research design, objectives of study, scope of study along with research methodology and limitations of study etc.

- To know the Customers perceptions about home loans of HDFC housing development finance corporation LTD.
- To study the satisfaction level of customers about home loans.
- To study the problems faced by customers in obtaining the home loans.
- To make comparative study of disbursement of home loans by commercial banks,
- The study shall be conducted in the manner enumerated below-

3.1- RESEARCH DESIGN:-

This project is based on exploratory study as well descriptive study. It was an exploratory study when the customer satisfaction level was studied to suggest new methods to improve the services of HDFC LTD in providing home loans and it was descriptive study when detailed study was made for comparison of disbursement of home loans by commercial banks.



3.2 – SOURCES OF DATA :-

To fulfill the information need of the study. The data is collected from primary as well as secondary sources-

A - PRIMARY SOURCE:-

I decided primary data collection method because our study nature does not permit to apply observational method.

In survey approach we had selected a questionnaire method for taking a customer view because it is feasible from the point of view of our subject & survey purpose. We conducted 100 sample of survey in our project to judge the satisfaction level of customers which took home loans.

• Sample size:-

For the questionnaire I have taken the sample size of 100 customers of HDFC LTD.

B – SECONDARY SOURCE:-

It was collected from internal sources. The secondary data was collected on the basis of organizational file, official records, news papers, magazines, management books, preserved information in the company's database and website of the company.



3.3- SAMPLING:-

Sampling refers to the method of selecting a sample from a given universe with a view to draw conclusions about that universe. A sample is a representative of the universe selected for study.

3.4 SAMPLE SIZE :-

Large sample gives reliable result than small sample. However, it is not feasible to target entire population or even a substantial portion to achieve a reliable result. So, in this aspect selecting the sample to study is known as sample size. Hence, for my project my sample size was 100.

The Sample Size consists of both the Professional and Business class people. IT peoples, Doctors, Jewelers, Timber Merchants & Real estate Agents are taken as Sample.

REVIEW OF LITERATURE





4.1 SUMMARY:-

- After going through previous studies of Home loans I came to conclude that-
- There is growth of home loans after 2008.
- Home loans have an inverse relation with interest rates i.e. when interest rate low the demand of home loans increase. (Ojha 1987)
- People are going more towards home loans than private mortgage insurance. (Bernstein 2008)
- Government taking various steps to encourage people to go toward home loans. (Haavio, Kauppi 2000)



- Growth of home loans are due to increase of living standard of people, shifting from joint family to nuclear family .(Lacourr, Micheal 2007)
- There are some problems also attach with these home loans such as time i.e filling of application of loan to closing ,people have their own specified needs from these home loans which are not fulfilling. (Lacour Micheal 2006).
- SBI provide a very low interest rate on home loans as compared to other banks. (SBI May 2000)



4.2 Now after this conclusion the details of reviews are below-

Burstein David (2009) examined in his study taken from 2001 to 2008 that in this period there is increase use of home loans as compared to private mortgage insurance (PMI).he have divided his study into four sections. Section 1 describes why people are going more for home loans than PMI. the main reason for this that now home loans market provide Piggybank loans for those people who don't have 20% of down payment. Section 2 tells the factors responsible for the growth of home loans and the risks on shifting toward home equity market without any PMI coverage. PMI can protect lenders from most losses up to 80% of LTV and the absence of PMI will result in considerable losses in an environment.

DATA ANALYSIS & INTERPRETATION



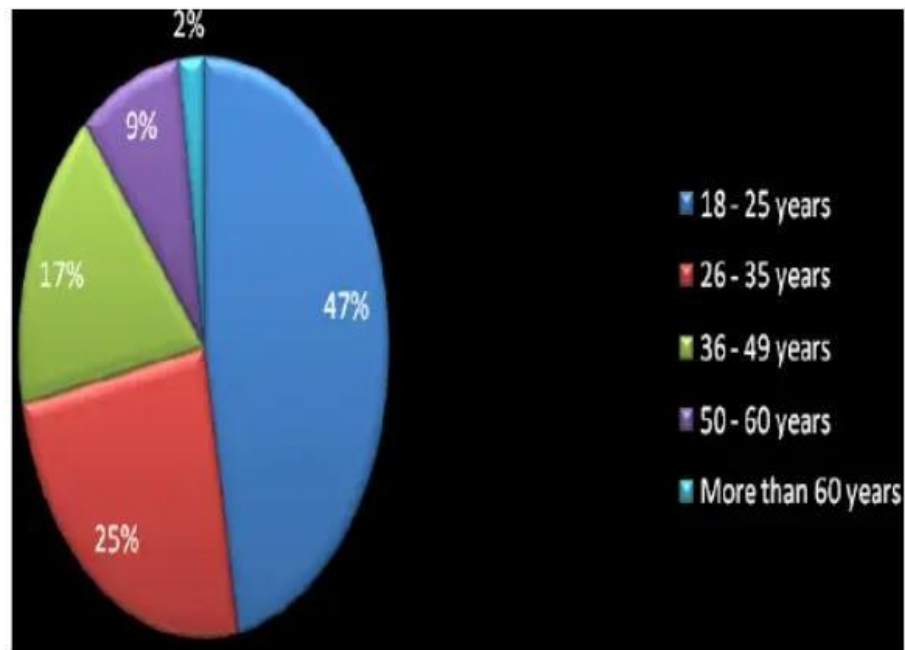


ANALYSIS & INTERPRETATION

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

AGE GROUP OF SURVEYED RESPONDENTS

Age group	No. of Respondents
18 - 25 years	127
26 - 35 years	67
36 - 49 years	46
50 - 60 years	24
More than 60 years	6



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.

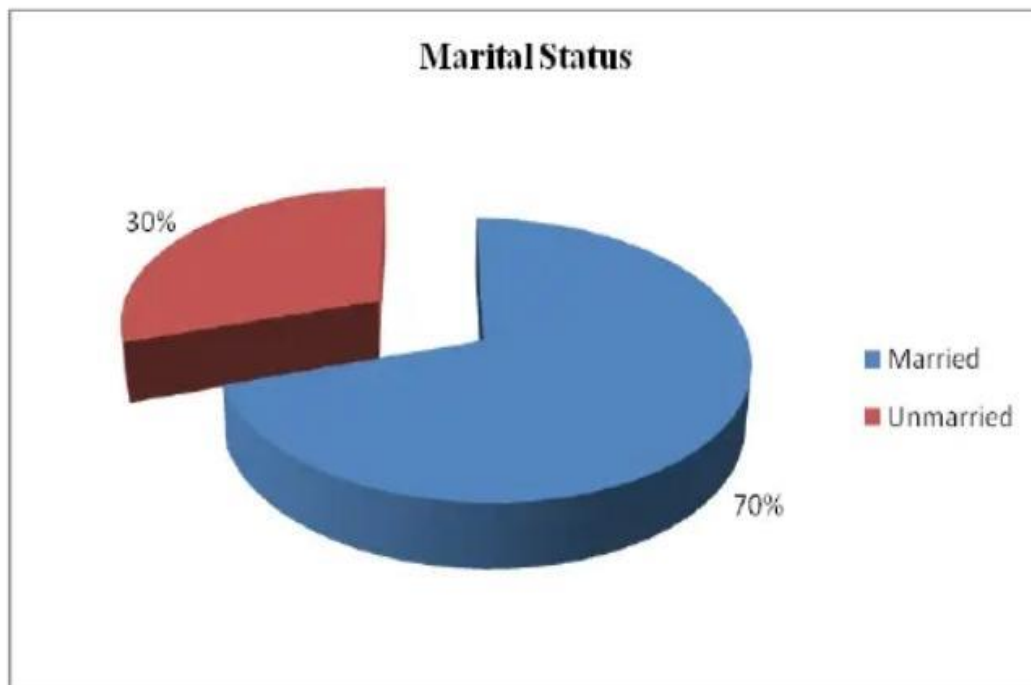
Therefore most of the respondents are relatively young (below 26 years of age). and 6% respondent's age are 50-60 years and 2% respondent's age are 60 to above years.



GENDER CLASSIFICATION OF SURVEYED RESPONDENTS

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

Base 200 respondents





Educational qualification of respondent's

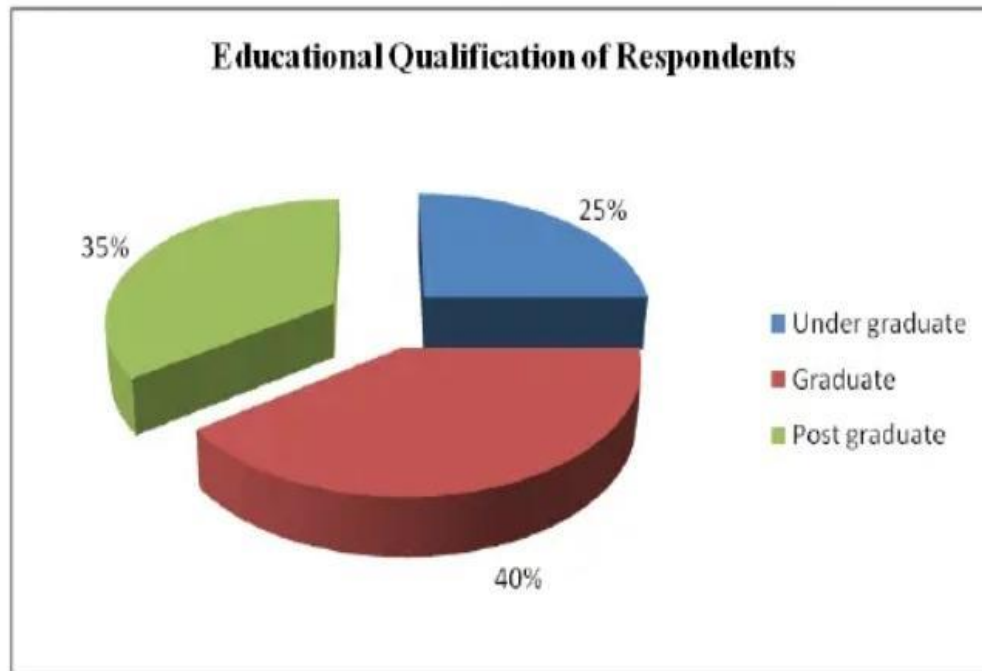
Interpretation

From the table and graph above it can be seen that

- 70% respondent's are married.
- 30% respondent's are unmarried.

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

Base 200 respondents



Interpretation

From the table and graph above it can be seen that

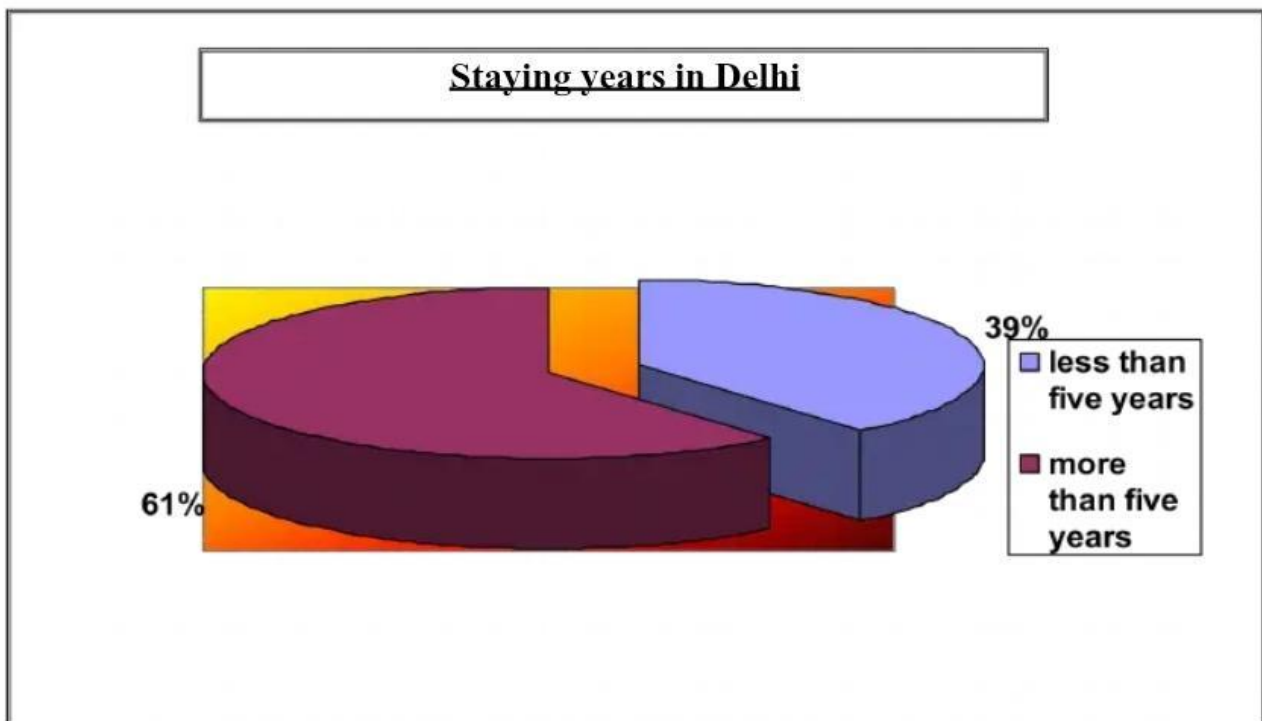
- 25% respondent's are under graduate.
- 40% respondent's are Graduate.
- 35% respondents are Post graduate.

Number Of year's Are You in Delhi ?



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

Base 200 respondents



Interpretation

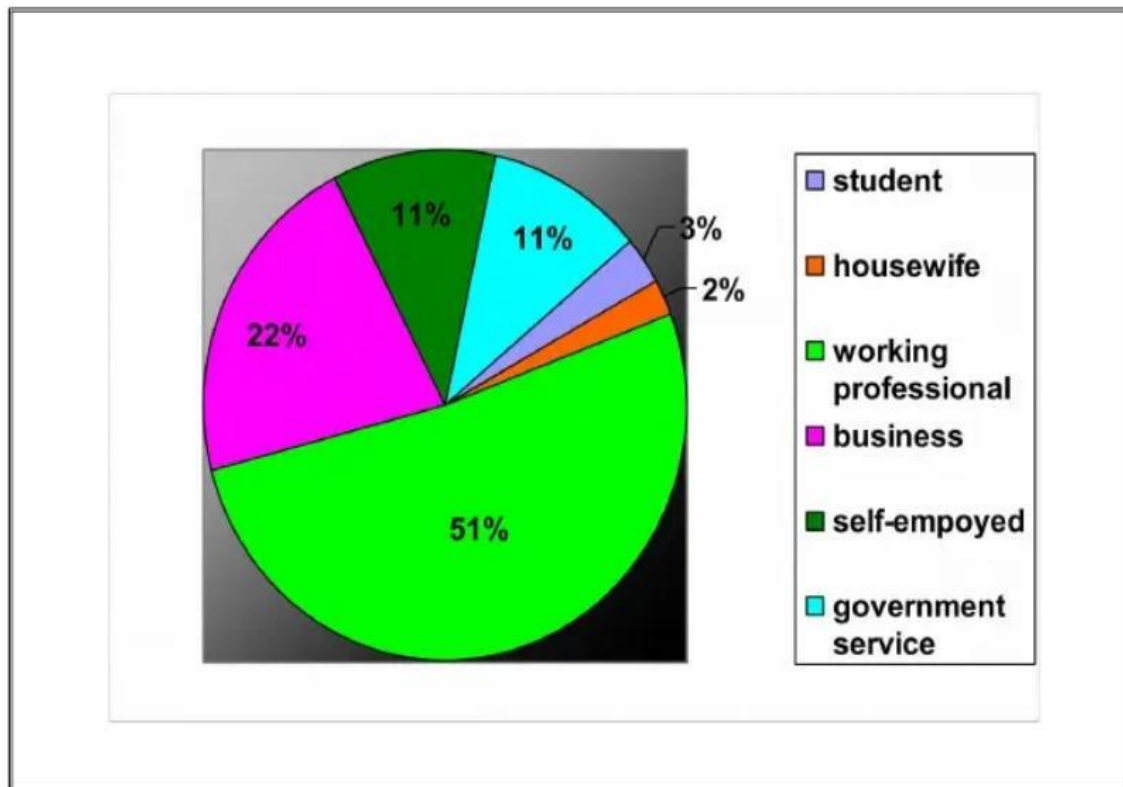
From the table and graph above it can be seen that

- 39% respondent's are in Dehradun is less than five year's.
- 61% respondent's are in Dehradun is more than five year's.



CUSTOMER PROFILE OF SURVEYED RESPONDENTS

Customer profile	No. of respondents
Student	7
Housewife	5
Working Professional	116
Business	49
Self Employed	24
Government service employee	24





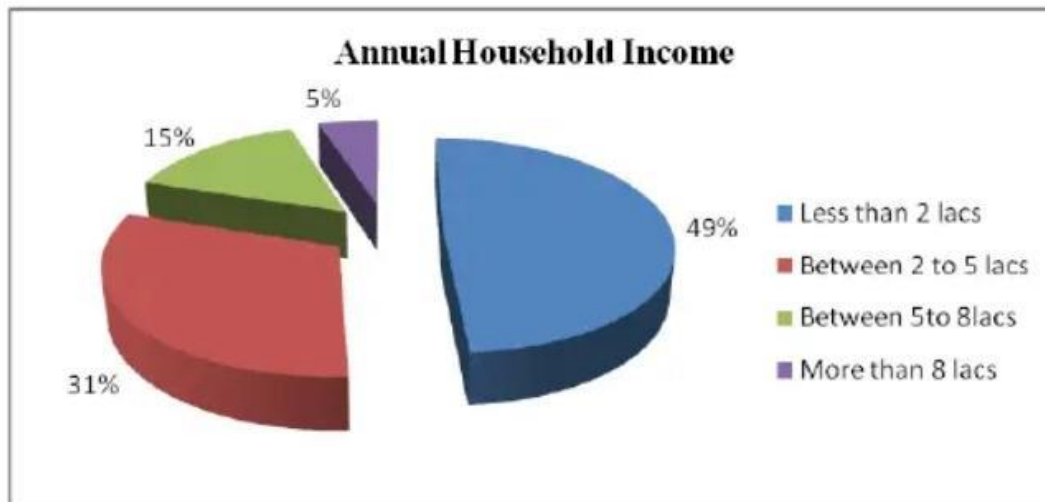
Interpretation

From the table and graph above it can be seen that:-51% of the respondents are working professionals, 22% are into business and 11% are self-employed, 11% of the respondent's are government service employee and 3% of the respondents are student and 2% of the respondents are house-wife.

ANNUAL HOUSE HOLD 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%

Base 200 respondents



Interpretation

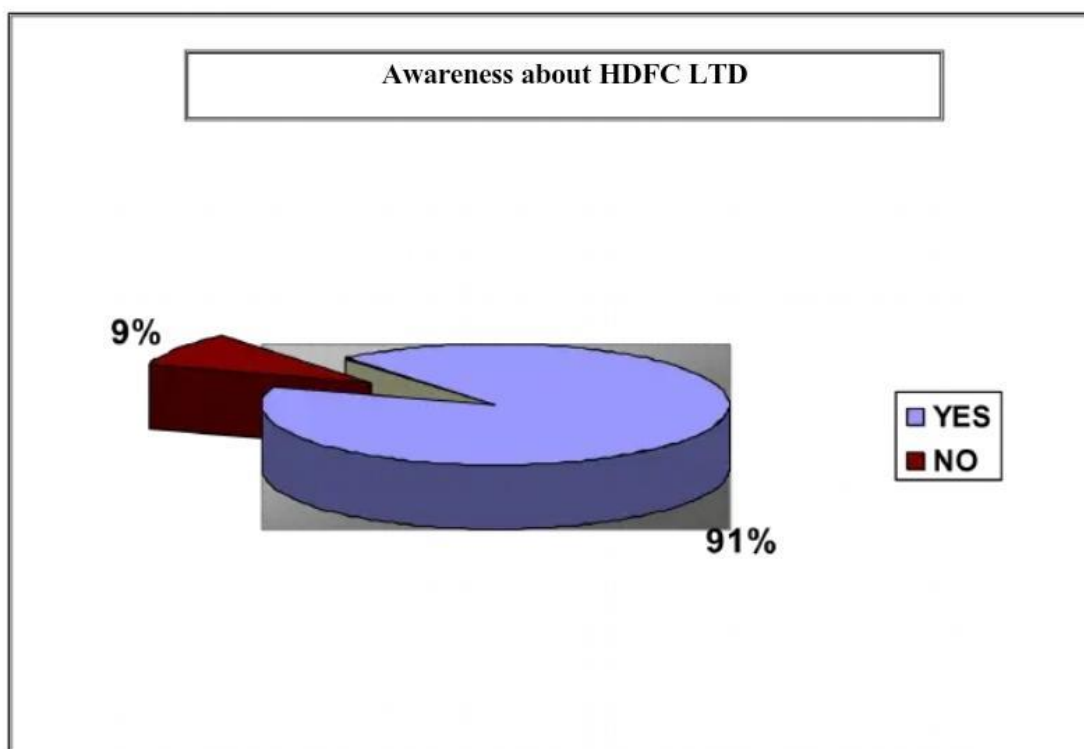
From the table and graph above it can be seen that

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

Do you know about HDFC housing development finance corporation LTD?



Category	No. of Respondents
Yes	164
No	16



Interpretation:-

From the table and graph above it can be seen that

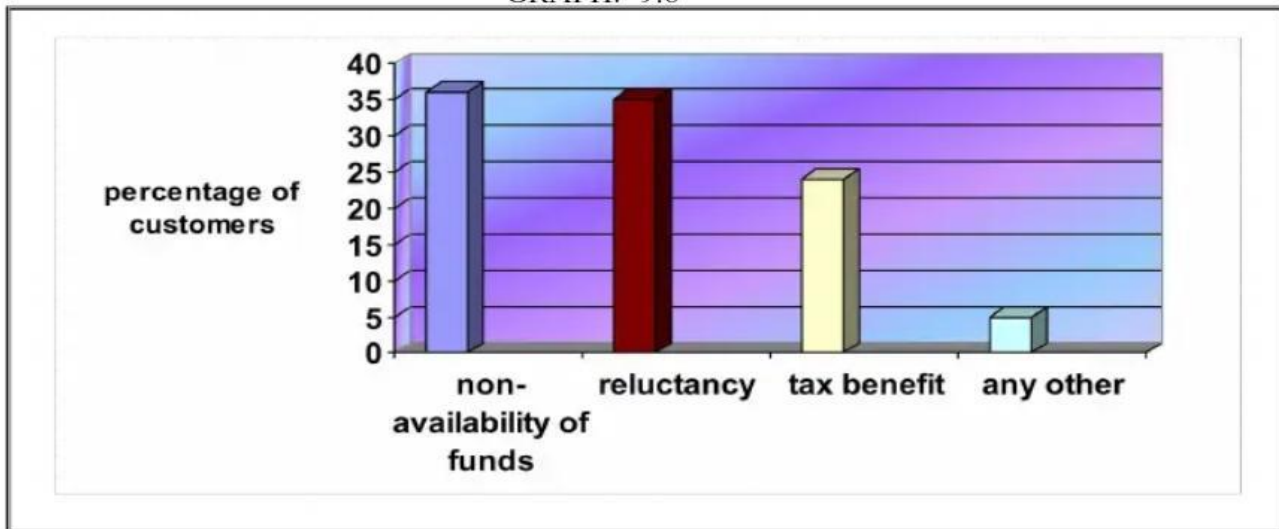
- 91% respondent's are known about HDFC LTD
- 9% respondent's are not known about HDFC LTD



Reasons for getting the home financed

Sr.No.	Number of Reasons	Percentage
a.	Non-availability of funds	36
b.	Reluctance to pay cash in one go	35
c.	Tax benefit	24
d.	Any other	5

GRAPH:- 9.8



Interpretation :-



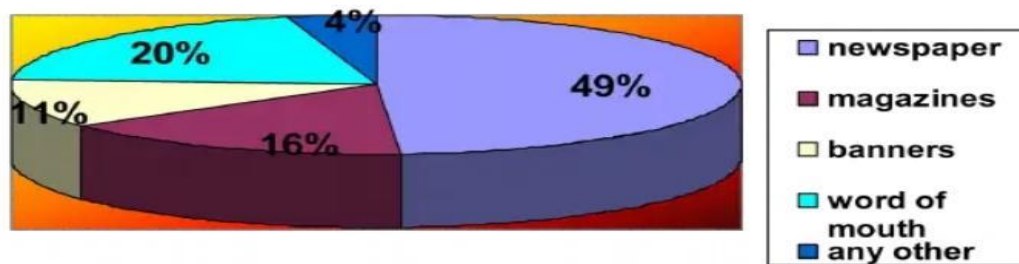
To interpret the response of the questions, the figures shows that most of the customers find the problem in availability of funds i.e. 36% and very less number of customers found problem in paying cash in one go is 35%, customers get housing loan for tax benefits is 24%. This was the expected response because a large number of 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. So, they take the advantage of home loans provided by different banks at different terms feasible to the customers. There are very less number of people, who don't own home even when they have sufficient funds and they take the advantage of home loans because they don't want to pay huge cash in one go. On the basis of study, it is concluded that most of people lack of money in fulfilling their dreams and few of them were reluctant to pay cash in one go and wanted to pay their home loans slowly in installments.



Sources of information about Home Loans Scheme

Sources of information	Percentage of customers
Newspapers	49
Magazines	16
Banners/Hoardings/Pamphlets	11
Word of mouth	20
Any other source	04



Sources of information about Home Loans Scheme



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 .

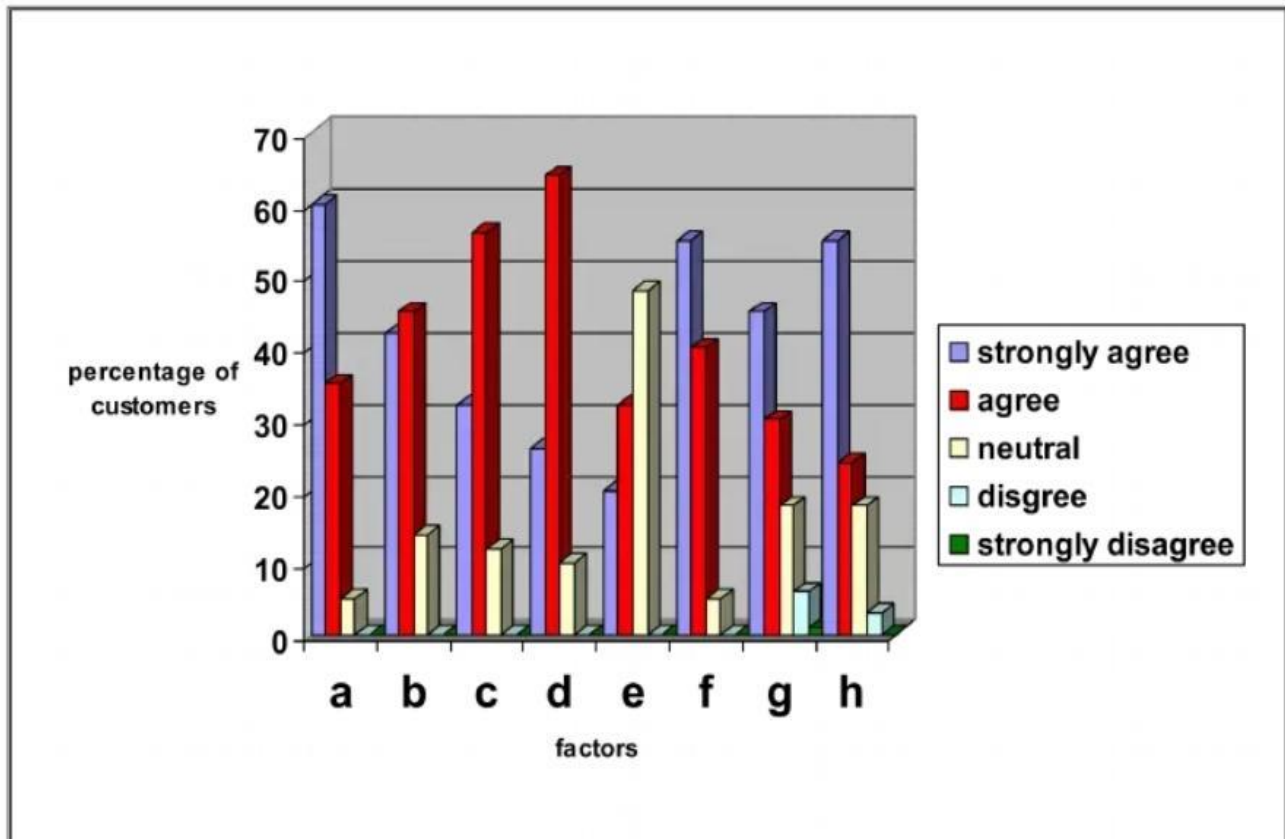
Opinion of customers about home loan schemes

HDFC LTD :-

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%	-



Percentage of satisfaction level of customers of HDFC LTD



Interpretation:-

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



PROBLEMS FACED BY CUSTOMERS IN AVAILING HOME LOANS

There are everything in the world has good or bad points. No doubt banking industry/ company has made many efforts to enhance the customer satisfaction but customer still faced some problems. These are high lightened as below:

- 1) The customer does not have proper knowledge about different home loan products so they face problem in making a good deal.
- 2) There are procedural delays, which harass the customers lot. This will crush the curtsy of customers to avail the home loan.
- 3) The attitude of bank employees some times non cooperative and it creates a hurdle in building trust and Confidence among customers about banks.
- 4) The banks do not take into account the paying capacity of customers. So some customers are not able to get amount of loan needed by them.

So above discussed are the problems which faced by customers while availing home loans.

CONCLUSION & LIMITATIONS OF





CONCLUSION

- 1) In my study we came to know that many peoples are interested to take a home loan from HDFC LTD to construct their homes.
- 2) Home loans have long period when compare to other personal loans and other loans. So peoples are confused to take a home loan.
- 3) Even though the interest rates are high peoples are willing to take a loan from HDFC LTD due to some reasons.
- 4) The interest rates also some what high when compare to other banks
- 5) The loan sanction process is low when compare to other banks.
- 6) For disbursement process is also it will take low time when compare to other banks

Finally the whole research was carried out in a systematic way to reach at exact results. The whole research and findings were based on the objectives. However, the study had some limitations also such as lack of time, lack of data, non-response, reluctant attitude and illiteracy of respondents, which posed problems in carrying out the research. But proper attention was made to Carry out research in proper way and to make accurate conclusion for the HDFC LTD which may beneficial for banks to enhance their customer base.



LIMITATIONS OF THE STUDY:-

This study also includes some limitations which have been discussed as follows:

- i)** The sample size of 100 customers and 4 banks might prove a limitation because of difficulty in generalization of results.
- ii)** To collect the data from various banks was quite difficult due to non- cooperation of some banks. This proved to be major limitation of the study.
- iii)** To access such a large number of customers was difficult because of non-cooperative attitude of respondents.
- iv)** Lack of data was also the other limitation of the study as some of banks do not have proper data on topic.
- v)** There was limitation of time to conduct such a big survey in limited available time.
- vi)** Ignorance and reluctant attitude of customers was also a major limitation in this study.

Thus above all were the limitations in this research study. The maximum efforts were made to overcome these limitations in the study.



FINDINGS

1. HDFC limited having good brand image in the minds of customers.
2. Majority of the people got loans from HDFC limited only.
3. Most of the customers are not aware of the product of HDFC home loan.
4. Some of the customers felt that the interest rates are some what high.
5. Some of the customers not having good faith on private banks like Standard Chartered Bank, HSBC Bank etc.
6. Most of the people are directly go to HDFC to apply a home loan.
7. Some of the customers of HDFC already benefited through HDFC home loan products and services.
8. Customer awareness is medium about HDFC products.
9. HDFC limited providing good services to their customers.

RECOMMENDATIONS & SUGGESTIONS





These suggestions have been discussed as follows:-

- 1) To increase their customers, the HDFC LTD should provide specialized services in this sector. These services can be such as proper guidance to the customer regarding the processing of loans, especially for the customers who are illiterate.

- 2) To satisfy their customers and for good dealings in future, the HDFC LTD should make prompt disbursement of loan amount to the customers so that they can buy or construct their dream home as early as possible.

- 3) The HDFC LTD should use easy procedure, or say, less lengthy procedure for the sanctioning of loan to the customer. There should be less number of legal formalities, in case this exists, then, these should be completed in less time. This will be helpful in attracting more customers.

- 4) Although the interest rates on specific norms, yet customers seek less interest rate which can lower their cost of house. So banks should try to lower their interest rates. Needles to say, that the bank which is having lower interest rates, have the maximum clients for loans.

- 5) HDFC LTD provide loan according to the repaying capacity of the customer and his/her eligibility. Due to which, some customers are not able to get amount of loan needed by them. So, the HDFC LTD should soften their norms regarding the loan amount.



6) Create awareness: The Company has to take care of awareness creation about the products and services among the customers.

7) Charges: The Company has to reduce the mortality and administration charges.

8) The company has to reduce their interest rates on home loan products and services.

9) The company has to identify the potential customers.

10) Company should consider the present competition and should act according to the customer needs.

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QUESTIONNAIRE

1. Name: _____

2. Age:

(a) Below 30 (b) 30-40 (c) 40-50 (d) Above 50

3. Occupation:

(a) Professional (b) Self-employed (c) Salaried

(e) Others

4. Which income group do you belong? (Per annum)

- (a) Below 2 lakhs (b) 2-4 lakhs
 (c) 4-6 lakhs (d) 6 lakhs and above

5. Have you ever taken Home loan before?

- (a) Yes (b) No

6. If yes, from which Bank/company?

- (a) ICICI (b) HDFC (c) UTI
 (d) Centurion bank of Punjab (e) others

7. Are you satisfied with the services provided? (on 5 point scale)

Highly satisfied	dissatisfied	Neutral	satisfied	highly dissatisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. While taking loan, which things attract you the most?

- (a) Interest rates (b) Service Provided
 (c) Pay back period (d) Schemes
 (d) Others

9. Even if the Interest rate is high for the personal loans, you will go for it?

(a) Yes (b) No

10. How much loan amount you took?

(a) Less than 1 lakhs (b) 1-5 lakhs
 (c) 5-10 lakhs (d) more than 10 lakhs

11. Even if the Interest rate is high for the Home loans, you will go for it?

(a) Yes (b) No

12. Do you own a home...?

Yes [] No []

If Yes, then, Proceed.....

13. Have you get it financed?

Yes [] No []

If Yes, then, proceed.....

14. What is reason for getting it financed?

1. Non availability of funds []

2. Reluctance to pay cash in on go []

3. Tax benefit []

4. Any other (please specify).....

15. From which of the following banks/ company you have got if financed?

Standard Chartered Bank [] State Bank of India []

ICICI Bank [] **HDFC LTD** []

Any other (please specify).....

16. From where have you got information about home loans scheme?

(Check list).....

Newspapers [] Magazines []

Hoarding/banners [] Word of mouth []

Any other (please specify).....

17. What problems did you face while getting home loans?

a. Lack of knowledge

b. Procedural delays and non cooperation

c. Any other (please specify).....

18. Did you face any problem after sanction of loan?

19. What suggestions do you want to give for improvements in home loans Scheme?

THANKS

