

A
Project Report

**“A Study of Home Loans Offered by SBI Bank in
Nagpur Region.”**

Submitted to

G. S. College of Commerce & Economics, Nagpur

Affiliated to

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

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Under the Guidance of

Prof. Ashima Varghese

G.S. College of Commerce & Economics, Nagpur

Academic Year 2022 – 23



G.S. College of Commerce & Economics, Nagpur

Academic Year 2022 – 23



CERTIFICATE

This is to certify that **Richa R. Tripathi** has submitted the project report titled “**A Study of Home Loans offered by SBI Bank in Nagpur Region.**” towards partial fulfillment 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 has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Prof. Ashima Varghese
(Project Guide)

Dr. Afsar Sheikh
(Co-ordinator)

Place:

Date:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2022 – 23



DECLARATION

I here-by declare that the project with title “**A Study of Home Loans offered by SBI Banks in Nagpur Region**” 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.

Richa R. Tripathi

Place:

Date:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2022 – 23



ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. Swati Kathaley Principal, G.S. College of Commerce & Economics, Nagpur.

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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.

Richa R. Tripathi

Place:

Date:

INDEX

Sr No.	PARTICULARS	PAGE No.
1.	Introduction	1-16
2.	Company Profile	17-23
3.	Literature Review	24-26
4.	Research of Study	27-32
	Scope of the Study	
	Need of the Study	
	Objective of the Study	
	Hypothesis of the Study	
	Limitations of the Study	
5.	Research Methodology	33-37
6.	Data Analysis and Interpretation	38-50
7.	Findings & Recommendations	51-53
8.	Conclusion	54-55
9.	Bibliography	56-57
10.	Annexure	58-64

CHAPTER 1:
INTRODUCTION OF
SBI HOME LOAN

INTRODUCTION



1.1 HOME LOAN

The section 5 (b) of the Banking Regulation Act 1949 defines Banking as, " Accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft or otherwise."

A "home loan" is a credit to a consumer for the purchase or transformation of the private immovable property he owns or aims to acquire secured either by a mortgage on immovable property or by a surety commonly used in a Member State for that purpose."

A home loan requires you to pledge your home as the lender's security for repayment of your loan. The lender agrees to hold the title or deed to your property until you have paid back your loan plus interest. In simple words a home loan is a fund or the loan which the buyer has taken from any financial institution or bank to purchase a new home at an agreed rate of interest specified during the contract.

Home loan is the finance borrowed from a bank or financial institution to buy or modify a residential real estate property. Any Resident or Non-resident individual who is planning to buy a house in India can apply for a home loan. If you have decided to buy a property in the near future you can even apply for a loan before you select your property.

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.

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.

A home loan is a secured loan that is obtained to purchase a property by offering it as collateral. Home loans offer high-value funding at economical interest rates and

for long tenors. They are repaid through EMIS. After repayment, the property's title is transferred back to the borrower.

The lender possesses the legal rights to recover the outstanding loan amount by the sale of the property in question in case the borrower cannot repay the dues.

Owing a piece of land or property is a lifetime dream for every individual. There are many Homes Loans provider in the market to make your dream come true. But before opt for any home loan provider, need to consider certain factors related to property that interested in buying and also about the salient and also study some home loans in applying a home loan in India. Purchasing and moving into a dream home would generally rank among the top three things on the wish list of most people.

A few decades ago, finding a bank for financing Home Loan was not so easy. But now taking Home Loan has become very simpler. The RBI has been regularly slashing Interest rates, with the result that home finance loans that came at an interest rate of 16.5% to 18% four years ago are now available at 11.5% to 13% or lower. Each year the finance minister's generosity during the budget seems to be slowly concentrated for the home sector and construction sector.

In their quest for attracting more and more customer for Home Loans most of the banks have sanctioned loans without taking applicant's capacity to repay loan into consideration. The result: banks have to initiate legal process under securitization act. To avoiding legal complication a few private banks have embarked on to create awareness among the prospective application for Housing Loans.

1.2 UNIQUE FEATURES OF HOME LOAN

- **Purpose:** For purchase of house from builder/resale and construction/extension of existing house.
- **Loan Amount:** You can avail for home loans ranging from Rs.1 lakh to Rs.100 lakh depending on your eligibility, income, and repayment capacity.
- **Security:** Home loan is a secured loan wherein collateral is required.
- **Loan Tenor:** The maximum loan tenure is 25 years.

1.3 TYPES OF HOME LOANS

1. **Home purchase loan:** Taken to purchase a home.
2. **Home improvement loan:** Taken to repair/renovate a home.
3. **Home construction loan:** Taken to build a new house.
4. **Land purchase loan:** Taken to buy a plot of land for constructing his/her own house.
5. **Home extension loan:** Taken to add another floor, room, garage, bathroom, or kitchen, etc.
6. **Joint home loan:** Taken by two or more people, for instance, spouses.

7. **Home loan balance transfer:** Allows you to switch lenders and transfer your outstanding loan amount to enjoy better terms and conditions and lower interest outgo.
8. **Top-up home loan:** Allows you to borrow funds over and above the outstanding loan amount at nominal rates and for any purpose.

1.4 SBI HOME LOAN

If you are planning to buy a home, then it is debatably one of the biggest financial decisions in your life. Taking a home loan can involve lots of stress because it requires a lot of investment of money. Each and every man has a definite goal to become an owner of his own home. This is the most amusing and stirring point of their lives. Therefore, there are many people who splurge their time in looking for a home loans but they avoid frittering time for exploring their home loans. In fact, getting a home loan is very easy nowadays. There are a lot of public and private financial sectors which provide home loans to different customers based on their credit.

There are a variety of home loans which are based on different recent conditions. Different types of home loans include mortgage loans, home equity loans etc. Home equity loans are those loans which keep the home as a surety or a guarantee. In fact, it is also known as second mortgage. There are different advantages involved in taking a home loan. Such advantages include low rate of

interest and deduction of taxes. Mortgage loans are classified into two categories. These categories are conventional or government loans and fixed rate loans or adjustable rate of loans.

The values of homes have doubled sensibly in recent times due to the rise in demand and the rapidly increasing rates of interest for these home loans at the same time. It is really good for those people who are interested in refinancing their home equity loans so that the home equity loans save a lot of money for them. In fact, one more added advantage they get is to pay lower monthly amounts to the concerned bank. You should take enough care before you select the proper channel for home loan. Remember to ask all possible hidden charges involved in a home loan like application, origination and withdrawal fees and hidden interests before taking a loan. This is because you may lose your property or home in case you cannot repay your loan amount.

The State Bank of India, or SBI, is one of the earliest banks of our country and still respected by its competitive private counterparts. Like various other companies financing for your home loans, the SBI has developed its own home loan policies. The SBI Home loans have been formulated, especially with the knowledge of the basic needs of our nation's people and are quite thrifty. SBI Home Loan is available under various schemes and offers attractive interest rates.

1.5 FEATURES OF SBI HOME LOAN

- Home Loan products to suit every customer need
- Low Interest Rates
- Low Processing Fee
- No Hidden Charges
- No pre-payment penalty
- Interest charges on Daily Reducing Balance
- Repayment up to 30 years
- Home Loan Available as Overdraft
- Interest Concession for Women Borrowers

1.6 SBI HOME LOAN PROCEDURE

The process of applying for a home loan can be described in the following steps:

Step 1: Keeping the Property related Documents ready

You must have all the legal documents related to your property from your builder, in hand, before you apply for the home loan from SBI. It usually comprises of the booking receipt as well as the copy of the cheque.

Step 2: Taking Legal Opinion

With all the required legal documents, you must go to an advocate who is a part of the SBI panel and get them verified. He will need to verify the Sales Agreement & Construction Agreement. Sometimes the document such as Encumbrance certificate, receipt of the tax paid till date, is required. As this step could require a lot of documents from various sources, this could take the longest time.

Step 3: Valuation of Property

After the legal valuation is complete, the property needs to be evaluated by a property valuator belonging to the SBI panel. Once he values the property, a letter is given to you.

Step 4: E-stamping or Franking of Agreement

It is mandatory for a SBI Home Loan that the Sales and construction agreement is franked or e-stamped. The value of e-stamping may differ based on the value of your property. Franking can be done at the register office, while e-stamping can be done at select register offices, post offices and syndicate banks.

Step 5: Submission of Application

Once the above steps are complete, along with the documents and the application form, the borrower must visit SBI. The documents that need to be submitted are the legal opinion, valuator statement and others, as per the bank requires you to.

Step 6: Wait Period

The waiting period for the approval of the loan may vary from person to person. The special home loan branch can disburse the loan within three days. However, periodic follow-ups are required, asking for the inspection to be done and other things that accelerate the process.

Step 7: Documentation

SBI will give you a call as soon as they sanction the loan. You will then be asked to submit some more documents including the following:

- Two E-stamps worth Rs.400, where you are the first party and SBI is the second party.
- E-stamp worth Rs.200, where the parties are same as above.
- E-stamp worth Rs.200, where first party is the guarantor and SBI is the second party.
- All documents submitted while loan application.
- Cheques in favour of State Bank of India.
- You as well as your guarantor needs to be present at the bank with all the above documents.

Step 8: Loan Disbursement

Once the loan is sanctioned by the SBI, borrower must attain the following documents from the builder:

- NOC stating that the property is not mortgaged at any other bank.
- Tripartite agreement if the property is under construction.
- Demand notes from the builder, matching the payment schedule.

Step 9: Registration

Before the registration process, verify the stamp duty and inform the bank of the same. Once the registration process is complete, an officer from the SBI bank visits you to hand over the DD to the builder or sometimes, even you may be asked to collect it from your branch.

SBI Home Loans are a great choice for home loan borrowers as there is no prepayment penalty and you can decrease your interest by prepaying the loan without a worry.

SBI provides a Two Home Loan with Different benefits and Schemes.

1. SBI Easy Home Loan - For Loan amount up to Rs. 30 Lacs.
2. SBI Advantage Home Loan - For Loan amount above Rs.30 Lacs.

1.8 ADVANTAGES OF SBI HOME LOANS:

- Low interest rate
- No hidden costs and administrative charges
- Low processing fees
- Less paperwork
- No prepayment penalties
- Balance home loan transfer

1.9 INTEREST RATES:

- Fixed interest loans
- Floating rate loan

Fixed Interest Loans: A fixed interest rate loan is a loan where the interest rate doesn't fluctuate during the fixed rate periods of the loans. This allows the borrower to accurately predict their future payments. Variables rate loans, by contrast, are anchored to the prevailing discount rate.

Floating Rate Loans: A floating interest rate, also known as a variable or adjustable rate refers to any type of debt instrument, such as a loan, bond, mortgage, or credit that does not have a fixed rate of interest over the life of the instrument.

1.10 ELIGIBILITY:

- Resident Type: Resident Indian
- Minimum Age: 18 years
- Maximum Age: 70 years
- Loan Tenure: up to 30 years.

1.11 DOCUMENTS REQUIRED:

List of papers/documents applicable to all applicants:

- Employer Identity Card
- Loan Application: Completed loan application form duly filled in affixed with 3 Passport size photographs.
- Proof of Identity (Anyone): PAN/ Passport/ Driver's License/ Voter ID card
- Proof of Residence/ Address (Anyone): Recent copy of Telephone Bill/ Electricity Bill/Water Bill/ Piped Gas Bill or copy of Passport/ Driving License/ Aadhar Card

Property Papers:

Account Statement:

- Last 6 months Bank Account Statements for all Bank Accounts held by the applicant/s
- If any previous loan from other Banks/Lenders, then Loan A/C statement for last 1 year

Income Proof for Salaried Applicant/ Co-applicant/ Guarantor:

- Salary Slip or Salary Certificate of last 3 months.
- Copy of Form 16 for last 2 years or copy of IT Returns for last 2 financial years, acknowledged by IT Dept.

Income Proof for Non-Salaried Applicant/ Co-applicant/ Guarantor:

- Business address proof
- IT returns for last 3 years.
- Balance Sheet & Profit & Loss A/c for last 3 years
- Business License Details (or equivalent)
- TDS Certificate (Form 16A, if applicable)
- Certificate of qualification (for C.A./ Doctor and other professionals)

1.12 SBI HOME LOAN CUSTOMER CARE:

In order, to entertain and listen to the customer grievance and complaints on home loan process prescribed by the bank the SBI bank provides wholesome of options to the customers. For further details and to post your query on SBI Home loan you can call on the SBI customer care toll free number - 1800 180 1290

For any services related issue, customer can get in touch with SBI by:

- Calling Customer Help Line Numbers
- Contact Customer Grievance Cell at our Local Head Offices
- Write to Grievance Cell at our Local Head Offices (Details on Help line Numbers and Grievance Cell available on www.sbi.co.in)

1.13 DISBURSEMENT

The loan will be disbursed only on the following conditions:

1. All the security documents prescribed have been executed by borrower/co-applicant (s)/ guarantor/s
2. A valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank as per the laws of the State.

3. Wherever creation of mortgage is likely to be delayed for any valid reason, suitable security including third party guarantee, has been taken for the interim period.
4. The loan will be disbursed in stages where a loan for construction is desired or purchase is through payment to seller in instalments.
5. All necessary statutory compliances are in place.

SBI may disburse the quantum of loan in lump sum or in instalments at its own discretion depending on the level of construction of the House/Flat as acceptable to SBI. SBI will disburse loan amount directly to the builder/seller/society as the case may be and as requested / specified/ directed by the customer to SBI at the time of each disbursement. SBI shall not be responsible / liable in any manner whatsoever for any delay by the customer in providing such request/ specification/ direction to SBI and the customer shall not claim any costs, charges and expenses in any relation to any non-disbursal by SBI due to any such delay by the customer. The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

CHAPTER 2:
COMPANY PROFILE

COMPANY PROFILE



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2.1 EVOLUTION OF SBI

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

Primarily Anglo-Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled

from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.

2.2 SBI INTRODUCTION

State Bank of India has been at the forefront of financial inclusion efforts mandated by the Government and Reserve Bank of India. After all, SBI was created pursuant to All India Rural Credit Survey (Gore Wala) Committee Report which recommended creation of a strong bank to meet the need for formal credit in rural areas. SBI Act in fact mandated setting up of a minimum 400 branches in 5 years (between 1955 and 1960). In other words, financial inclusion and reaching out to the customer are the very reason for creation of SBI. Inclusive growth basically means broad based or shared growth which does not bypass the poor. Sustained poverty reduction requires inclusive growth that allows people to contribute to and benefit from economic growth.

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations.

SBI, the largest Indian Bank with 1/4th market share, serves over 45 crore customers through its vast network of over 22,000 branches, 62617 ATMs/ADWMs. 71,968

BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.

The Bank has successfully diversified businesses through its various subsidiaries i.e., SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 229 offices in 31 foreign countries.

Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions.

○ **SBI VISION:** “BE THE BANK OF CHOICE FOR TRANSFORMING INDIA.”

○ **SBI MISSION:** “COMMITTED TO PROVIDING SIMPLE, RESPONSIVE AND INNOVATIVE FINANCIAL SOLUTIONS.”

○ **SBI VALUE:** “SERVICE | TRANSPARENCY | ETHICS | POLITENESS | SUSTAINABILITY”

2.3 SBI BOARD OF DIRECTORS

SR.	Name	DESIGNATION	UNDER SECTION OF SBI ACT 1955
1.	Shri Dinesh Kumar Khara	Chairman	19 (a)
2.	Shri C.S. Setty	Managing Director	19 (b)
3.	Shri Swaminathan J.	Managing Director	19 (b)
4.	Shri Ashwini Kumar Tewari	Managing Director	19 (b)
5.	Shri Alok Kumar Choudhary	Managing Director	19 (b)
6.	Shri B. Venugopal	Director	19 (c)
7.	Dr Ganesh Natarajan	Director	19 (c)
8.	CA Ketan S Vikamsey	Director	19 (c)
9.	Shri Mrugank M Paranjape	Director	19 (c)
10.	CA Prafulla P Chhajed	Director	19 (d)
11.	Dr Vivek Joshi	Director	19 (e)
12.	Shri Anil Kumar Sharma	Director	19 f)

2.4 SUBSIDIARIES/JOINT VENTURES OF SBI

1. SBI LIFE INSURANCE COMPANY LIMITED (SBI-LIFE)
2. SBI GENERAL INSURANCE COMPANY LIMITED (SBI GENERAL)
3. SBI CARDS AND PAYMENT SERVICES LIMITED (SBICPSL)
4. SBI FUNDS MANAGEMENT LIMITED(SBIFML)
5. SBI CAPITAL MARKETS LIMITED (SBICAPS)
6. SBICAP Securities Ltd (SSL)
7. SBICAP Ventures Limited (SVL)
8. SBICAP TRUSTEE COMPANY LIMITED (STCL)

9. SBI SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED (SBI-SG)

10. SBI DFHI LIMITED (SBI DFHI)

11. SBI Payment Services Pvt Ltd. (SBI Payments)

12. SBI GLOBAL FACTORS LIMITED (SBIGFL)

13. SBIPENSION FUNDS PRIVATE LIMITED

2.5 SBI HOME FINANCE LTD

SBI Home Finance Ltd. is a Public incorporated on 11 November 1987. It is classified as non-govt company and is registered at Registrar of Companies, Kolkata. Its authorized share capital is Rs. 1,400,000,000 and its paid-up capital is Rs. 150,000,000. It is involved in Another financial intermediation. [This group includes financial intermediation other than that conducted by monetary institutions.]

SBI Home Finance Ltd.'s Annual General Meeting (AGM) was last held on 22 August 2008 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2008.

Directors of SBI Home Finance Ltd. are Udayan Ray, Gousul Islam Mondal, Ranjan Majumder, Parag Keshar Bhattacharjee, Jayanta Kumar Sinha.

Company Details

CIN	L65922WB1987PLC043267
Company Name	SBI HOME FINANCE LTD.
Company Status	Under Liquidation
RoC	RoC-Kolkata
Registration Number	43267
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Class of Company	Public
Date of Incorporation	11 November 1987
Age of Company	35 years, 4 month, 10 days
Activity	Other financial intermediation. [This group includes financial intermediation other than that conducted by monetary institutions.]

CHAPTER 3:
LITERATURE REVIEW

LITERATURE REVIEW

SUMMARY:

- 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 (Lacour, 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)

Burstein David (2009) examined in his study taken from 2001 to 2008 that in this period there is increased use of home loans as compared to private mortgage insurance (PMI). He had 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 provides 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.

Keith and John (1980) brought out a new picture of housing problems. They said that public housing policy of one sort or another is obviously of great importance in advanced capitalist systems.

Muthuram.P (1999) opined that housing finance; particularly retail housing finance is acquiring great importance because of government's incentives and stability in prices. Housing finance offers safe, secured, profitable and diversified asset portfolio.

CHAPTER 4:
RESEARCH STUDY

SCOPE OF THE STUDY

This study is considered the Indian housing finance industry has grown by leaps and bound in few years. Total home loans disbursements by bank have risen which witnesses phenomenal growth from last 5 years.

- There are greater number of borrowers of home loan so by this study we can find out satisfaction level customer and problem faced by them in obtaining home.
- This study will be provided knowledge related to housing loan specially regarding the SBI.

NEED OF THE STUDY

There are no sources in the current document. Every human being wants 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 classes family cannot afford this expenditure. To resolve this activity. Government provides housing finance loan facility for every person at lower.

Take a home on loan basis in which we pay monthly instalment with favourable interest rates.

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

- To make comparative study of Disbursement of home loans by Commercial banks.
- To know the ideas of customers about home loan products and services.

OBJECTIVE OF THE STUDY

1. To study the process of SBI home loans in Nagpur.
2. To study how to calculate EMI on home loans in Nagpur.
3. To learn about various aspect of SBI home loans in Nagpur.
4. To know the idea of customer about interest pay on home loans in Nagpur.

HYPOTHESIS OF THE STUDY

A hypothesis (plural: hypotheses) is a precise, testable statement of what researcher(s) predict will be the outcome of the study.

[HO]: "SBI Bank do not provide the home loans at low interest rate."

[H1]: "SBI Bank provide the home loans at low interest rate."

[HO]: "Customers are not satisfied with the home loan schemes offered by SBI Bank."

[H2]: "customers are satisfied with the home loan schemes offered by SBI Bank."

LIMITATIONS OF STUDY

- There was limitation of time to conduct such a big survey in limited available time.
- Lack of data was also the other limitation of the study as some of banks do not have proper data on topic.
- To access such many customers was difficult because of non-cooperative attitude of respondents.

The present study has got all the limitations of case study method of data collection.

CHAPTER 5:
RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

What is research?

Research means search for facts in order to find answers to certain questions or to find solutions to certain problems. It is often referred to as 'scientific investigation' into a specific problems or solutions.

There are two types of data:

1. **Primary data:** The primary data is that data which is collected fresh and first hand and for the first time which is original in nature.
2. **Secondary data:** secondary data which is collected using various website and research paper.

What is 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 SBI Bank.
- To study the satisfaction level of customers about home loans.
- To study the problems faced by customers in obtaining the home loans.
- To study of disbursement of home loans by banks.
- The study shall be conducted in the manner enumerated below-

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 SBI Bank in providing home loans and it was descriptive study when detailed study was made for comparison of disbursement of home loans by banks.

SOURCES OF DATA:

To fulfil the 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 50 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 50 customers.

(B) Secondary Source:

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

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.

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 50.

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

CHAPTER 6:
DATA ANALYSIS
&
INTERPRETATION

DATA ANALYSIS

Analysis of data is a process of inspecting, cleaning, transforming, and modelling data with the goal of discovering useful information, suggesting conclusion, and supporting decision making.

The process of evaluating data using analytical and logic reasoning to examine each component of data provided. Data from various source is gathered, reviewed, and then analysed to form some sort of finding or conclusion.

In this research we analysed the data with respect to the questionnaires given below in the annexures.

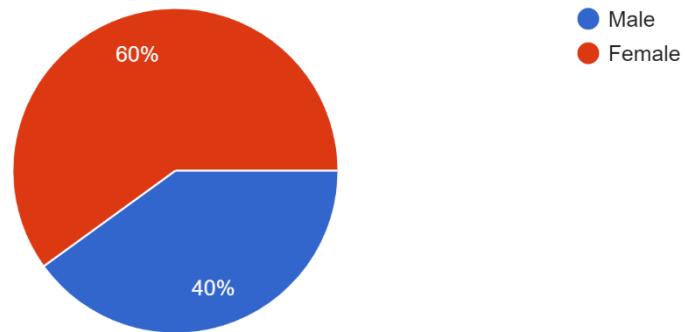
We asked the questions to different peoples mainly residents of NAGPUR Region.

Answers to these questions are interpreted as follows:

A sample size of 50 people was taken.

Q1. Gender

Gender
50 responses



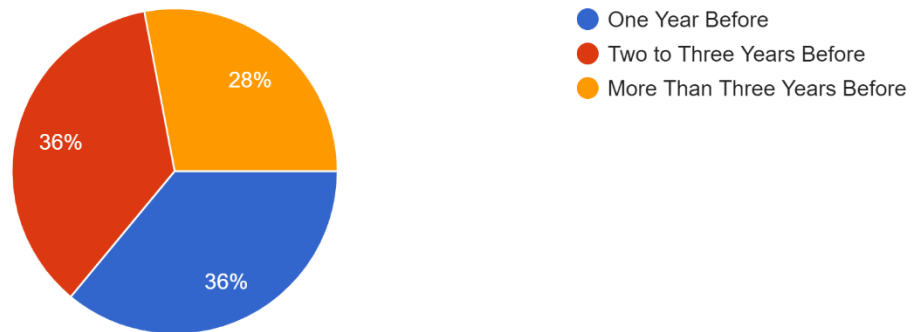
SR. NO.	CLASSIFICATION	NO. OF RESPONDENT	PERCENTAGE
1	Female	30	60%
2	Male	20	40%
	Total	50	100%

INTERPRETATION: From the above chart we find that 60% of respondent are female and 40% of respondent are male.

Q2. When have you taken Home Loan from SBI Bank?

When you have taken Home Loan from SBI Bank?

50 responses



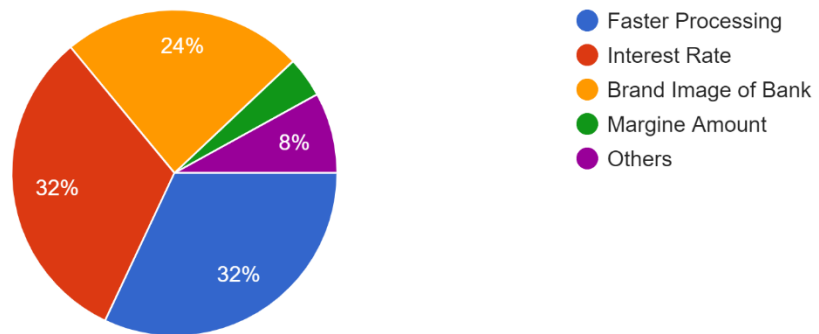
SR. NO.	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	1 year before	18	36%
2	2-3 years before	18	36%
3	More than 3 years before	14	28%
	Total	50	100%

INTERPRETATION: From the above chart we can see that 36% of respondent are taken 1 year before home loan, 36% of respondent are taken 2-3 years before home loan, 28% of respondent are taken more than 3 years before home loan.

Q3. Reason for taking home loan from SBI Bank?

Reason for taking home loan from SBI Bank?

50 responses



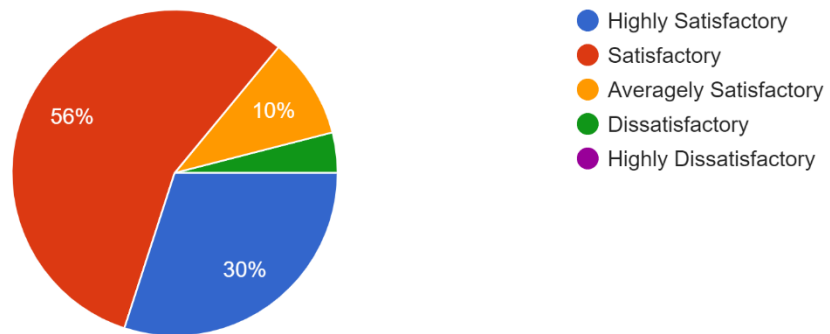
SR.NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Faster processing	16	32%
2	Interst rate	16	32%
3	Brand Image of Bank	12	24%
4	Margine amount	2	4%
5	Other	4	8%
	Total	50	100%

INTERPRETATION: From the above chart we can find that 32% of respondent take home loan because of faster processing, 32% because of interest rate, 24% because of brand image of bank, 4% because of margin amount, 8% because of other reasons.

Q4. How do you rate the Interest rates charged by SBI Bank?

How do you rate the Interest rates charged by SBI Bank?

50 responses



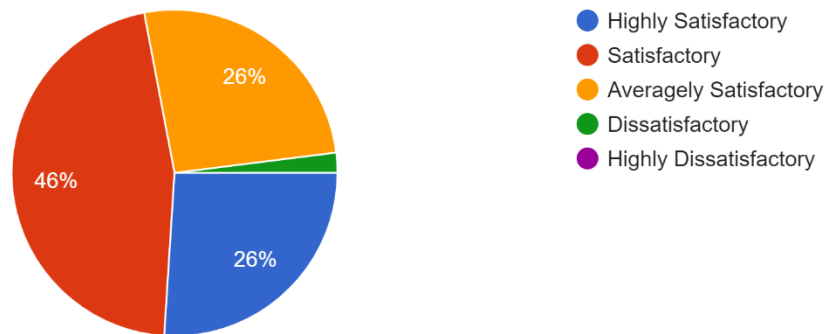
SR NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	15	30%
2	Satisfactory	28	56%
3	Averagely satisfactory	5	10%
4	Dissatisfactory	2	4%
5	Highly dissatisfactory	0	0%
	Total	50	100%

INTERPRETAION: From the above chart we can find that the 56% of customers are satisfied with the interest rate charged by SBI bank.

Q5. How do you rate the EMI of SBI Bank?

How do you rate the EMI of SBI Bank?

50 responses



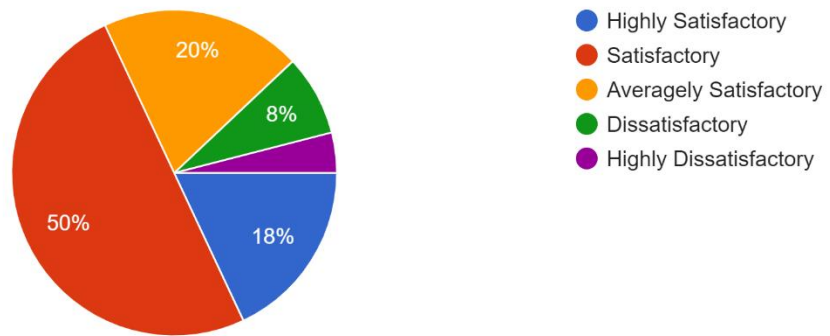
SR. NO.	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	13	26%
2	Satisfactory	23	46%
3	Averagely satisfactory	13	26%
4	Dissatisfactory	1	2%
5	Highly dissatisfactory	0	0%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 46% of customers are satisfied with the rate of EMI of SBI bank.

Q6. How do you rate the Documentation Procedure of SBI Bank?

How do you rate the Documentation Procedure of SBI Bank?

50 responses



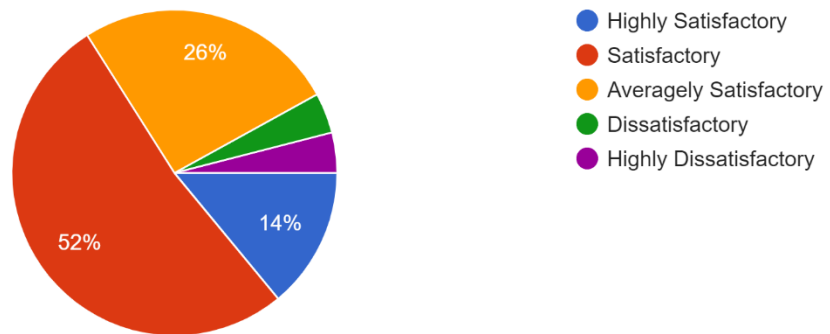
SR. NO.	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	9	18%
2	Satisfactory	25	50%
3	Averagely satisfactory	10	20%
4	Dissatisfactory	4	8%
5	Highly dissatisfactory	2	4%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 50% of customers are satisfied with the documentation procedure of SBI bank.

Q7. How do you rate the Processing Fees of SBI Bank?

How do you rate the Processing Fees of SBI Bank?

50 responses



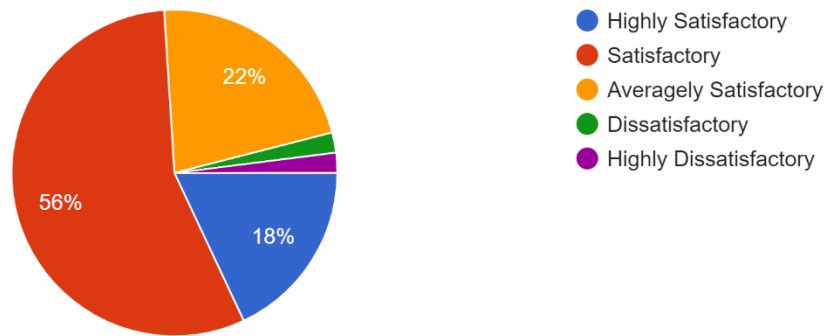
SR NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	7	14%
2	Satisfactory	26	52%
3	Averagely satisfactory	13	26%
4	Dissatisfactory	2	4%
5	Highly dissatisfactory	2	4%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 52% of customers are satisfied with the processing fees of SBI bank.

Q8. How do you rate the Sanctioning Procedure of SBI Bank?

How do you rate the Sanctioning Procedure of SBI Bank?

50 responses



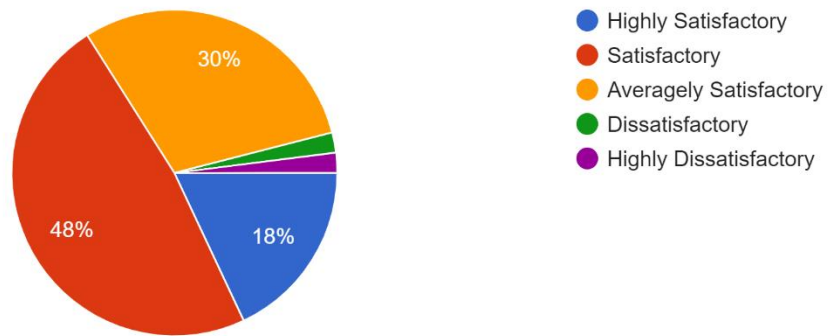
SR NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	9	18%
2	Satisfactory	28	56%
3	Averagely satisfactory	11	22%
4	Dissatisfactory	1	2%
5	Highly dissatisfactory	1	2%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 56% of customers are satisfied with the rate of sanctioning procedure of SBI bank.

Q9. How do you rate the Sanctioning Time of SBI Bank?

How do you rate the Sanctioning Time of SBI Bank?

50 responses



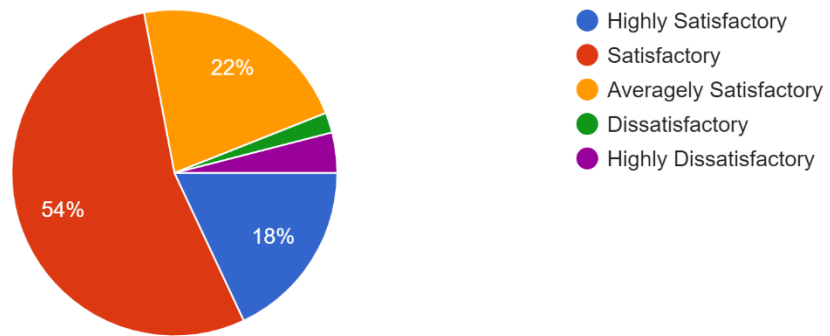
SR NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	9	18%
2	Satisfactory	24	48%
3	Averagely satisfactory	15	30%
4	Dissatisfactory	1	2%
5	Highly dissatisfactory	1	2%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 48% of customers are satisfied with the sanctioning time of SBI bank.

Q10. How do you rate the Fore Closure Charges of SBI Bank?

How do you rate the Fore Closure Charges of SBI Bank?

50 responses



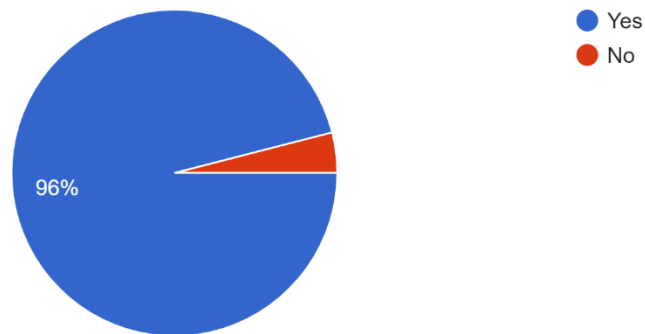
SR NO	CATEGORY	NO. OF RESPONDENT	PERCENTAGE
1	Highly satisfactory	9	18%
2	Satisfactory	27	54%
3	Averagely satisfactory	11	22%
4	Dissatisfactory	1	2%
5	Highly dissatisfactory	2	4%
	Total	50	100%

INTERPRETATION: From the above chart we can find that the 54% of customers are satisfied with the fore closure charges of SBI bank.

Q11. Are you satisfied with SBI Bank Home Loans?

Are you satisfied with SBI Bank Home Loans?

50 responses



SR NO	CATEGORY	NO OF RESPONDENT	PERCENTAGE
1	Yes	48	96%
2	No	2	4%
	Total	50	100%

INTERPRETATION: From the above chart we can see that the 96% of customers are satisfied with the SBI Bank Home Loans and 4% of customers are dissatisfied.

CHAPTER 7:
FINDINGS
&
RECOMMENDATIONS

FINDINGS:

From this project it is found that SBI advance product having the 1st place in the market at Nagpur region, there is a great opportunity to compete with ICICI Bank & to retain its customer by fulfilling the requirement of customer in SBI advance product.

- It has been observed that approximately 85% correspondents are using advance product of SBI and 15% are not using any type of advance product of SBI in Nagpur.
- All of SBI customers are satisfied with the services provided by the bank. Many of these customers satisfied with the low interest rate and longer repayment period of the advance product.
- Most of the customers at Nagpur prefer to take loan from SBI.
- Approximately 43% of advance product users said that the service of SBI in advance product is excellent.
- A response from customer care is so clear & good.
- Many customers have no time to call customer care so that they are not able to know about the service & features of SBI advance product.
- Most customers are shifted from other bank's advance product to SBI because of hidden charges, high interest rate, less repayment period.

RECOMMENDATION

- Customer awareness programme is required so that more people should attract towards advance product.
- If there are any kind of hidden charges than that must disclose to customer before giving loan to them.
- SBI must take some steps so that customers can get their loan in time. Like phone verification by customer care that one customer is got their loan on time or not. It must be before a certain date so necessary steps can be taken.
- SBI should more concern about physical verification rather than phone verification so it will avoid fraud or cheating.
- Advance product selling agents must not give any type of wrong information regarding advance product.
- For the better service new offers would be require.
- SBI customer care should more concern about the fastest settlement of customer problems.
- Before deducting or charging any monetary charge SBI must consult with customer.

CHAPTER 8:
CONCLUSION

CONCLUSION

In my study we came to know that many peoples are interested to take a home loan from SBI Bank to construct their homes. Home loans have long period when compared to other personal loans and other loans. So, peoples are confused to take a home loan. The interest rates are low this, peoples are willing to take a loan from SBI Bank. The interest rates are low when compared to other banks. The loan sanction process is fast as compared to other banks. For disbursement process is also it will take low time when compared 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 SBI BANK which may be beneficial for banks to enhance their customer base.

CHAPTER 9:
BIBLIOGRAPHY

BIBLIOGRAPHY

○ Books:

- (1) C.R. KOTHARI (Research methodology: Method and technology)
- (2) VINOD KOTHARI (Guide to housing finance)
- (3) SACHIN MITTAL (Understanding How to Handle Home Loans)

○ Research Papers

○ Weblinks:

<https://www.onlinesbi.com>

https://www.iosrjen.org/Papers/vol9_issue5/Series-12/10.%2038-40.pdf

<https://sbi.co.in/web/about-us/about-us>

<http://bankbazaar.com/sbi-home-loan-html>

CHAPTER 10:
ANNEXTURE

Frequently Asked Questions (FAQs) ABOUT SBI HOME LOAN

Q1. WHAT IS AN EMI?

EMI or Equated Monthly Instalment is a fixed amount paid by you to the bank on a specific date every month. The EMI's are fixed when you borrow money from the bank as a loan. EMI's are used to pay both interest and principal amount of a loan in a way that over a specific number of years, the loan amount is repaid to the bank along with interest.

Q2. HOW IS THE INTEREST RATE CALCULATED?

The interest on home loans is usually calculated either on monthly reducing or yearly reducing or daily reducing balance by Bank. 'SBI charges interest on daily reducing balance'.

Specifics are mentioned below: -

- Annual reducing method: In this system, the principal, for which you pay interest, reduces at the end of the year. Thus, you continue to pay interest on a certain portion of the principal that you have actually paid back to the lender. This means that the EMI for the monthly reducing system is effectively less than the annual reducing system.
- Monthly reducing method: In this system, the principal, for which you pay interest, reduces every month as you pay your EMI.
- Daily Reducing method: In this system, the principal, for which you pay interest, reduces from the day you pay your EMI. EMI in the daily reducing system

is less than in the monthly reducing system and a year is treated as consisting of 365 days irrespective of leap or non-leap year.

Q3. WHAT ARE THE TYPES OF INSURANCE AVAILABLE WITH HOME LOAN?

Term Insurance product is offered by SBI Life Insurance Company which offers financial coverage to the term life insurance policy holder for a specific time period. In case of death of the insured individual during the policy term, the death benefit is paid by the company to the beneficiary. (SBI Suraksha)

Q4. WHERE CAN I AVAIL HOUSING LOANS?

You can apply for a Home Loan through the following online modes:

- Website at- <https://onlineapply.sbi.co.in/personal-banking/home-loan>
- YONO Mobile App- <https://www.sbiyono.sbi>
- SMS 'HOME' to 567676
- Call on 1800112018
- <https://homeloans.sbi>

We have a branch network that is unmatched in terms of reach. We also have specialized retail loan processing canter and Home Loan Sales Teams across the country to cater to the housing loan requirements of individual customers.

Q5. WHAT WILL BE MY EMI?

To know your EMI, visit our EMI Calculator at <https://homeloans.sbi/calculators>

Q6. WHAT IS HOME LOAN?

Home loan is the money borrowed from a bank or a housing finance institution on interest for buying / constructing / upgrading a residential real estate property.

Q7. HOW DOES SBI HOUSING LOAN COMPARE WITH THOSE OFFERED BY OTHER INSTITUTIONS?

- Our rates are most competitive in the Industry.
- We have more than 20 different home loan schemes customized to suit your requirements.
- There is total transparency with regard to the rate of interest and the fees charged by us.
- We offer housing loans with low equated monthly instalments, i.e., you pay substantially less in repayments as compared to others.
- We have no upper limit. The loan amount is determined by repaying capacity and the value of property to be financed.
- We offer loans with one of the longest tenors (up to 33 years) with the flexibility provided to reduce the tenor by prepaying the loan without any penalty.
- We provide finance for both new and old houses/flats and for construction of houses. Cost of furnishing the house can also be included in the project cost.
- We levy interest based on daily reducing balance, unlike the annual reducing balance method used by several other financiers/banks

Q8. WHAT IS EBLR?

EBLR stands for External Benchmark Lending Rate. SBI has adopted Repo Rate as the external benchmark to link its floating rate home loans with effect from 01.10.2019.

QUESTIONNAIRE

Q1. Name

- Short Answer Text

Q2. Gender

- Male
- Female

Q3. When have you taken Home Loan from SBI Bank?

- One Year Before
- Two to Three Years Before
- More Than Three Years Before

Q4. Reason for taking home loan from SBI Bank?

- Faster Processing
- Interest Rate
- Brand Image of Bank
- Margin Amount
- Others

Q5. How do you rate the Interest rates charged by SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q6. How do you rate the EMI of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q7. How do you rate the Documentation Procedure of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q8. How do you rate the Processing Fees of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q9. How do you rate the Sanctioning Procedure of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q10. How do you rate the Sanctioning Time of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q11. How do you rate the Foreclosure Charges of SBI Bank?

- Highly Satisfactory
- Satisfactory
- Averagely Satisfactory
- Dissatisfactory
- Highly Dissatisfactory

Q12. Are you satisfied with SBI Bank Home Loans?

- Yes
- No