

A HOUSING FINANCE STUDY

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ABSTRACT:

Experiences in India's Housing and Housing Financing Professor Madhu Bharti, CEPT University, India. Abstract It has been more than half a century since India gained independence, and the makeup of its urban population presently stands at 32 percent. The state's response has been to implement a variety of programmes to deal with the rising population's needs. A function of service provider was first assumed by the government, but over time, the government has permitted the private sector to play a bigger role. These developments have led to massive construction of private dwellings for the wealthy, but many of these remain empty or unsold while a major portion of the population (particularly in cities like Mumbai) remains in slums and poorly maintained neighbourhoods. Since a lack of success has been shown in government attempts to get the private sector engaged, wealthy people are moving into exclusive cities with no involvement or room for the poor. The government's goal of providing affordable housing to everyone by 2022 is a lofty one. A number of measures have been done to introduce private money and transparency to the industry in the last year or so. State sector involvement in urban issues is the focus of the full abstract on 'Housing and Housing Finance in India: Recent Experience'.

INTRODUCTION

A loan is a financial asset transfer between the lender and the borrower that occurs over time. The lender gives the borrower a large sum of money that they must repay in monthly payments, albeit this is not always the case. The lender is frequently charged for this service, and the fee is deducted as interest from the debt. A loan principle is one of the most crucial functions for financial organizations. A common source of loan financing is deposits for other institutions that issue debt instruments such as bonds.

As basic needs rise, home loans from a variety of banks are becoming increasingly important in aiding people to achieve their goals. They come in handy when we need or want to buy something but don't have enough money to do so.

Home loans are a greater option as compared to consumer durable loans. In fact, we should hunt for a home loan before taking out a consumer durable loan

because it takes a little longer but has a lower interest rate. The flexibility of home loans in terms of tenure and the number of programs available make them enticing.

It's a type of general-purpose loan that doesn't require any form of collateral, such as a car, a house, stocks, or any other asset.

The majority of nationalized, foreign, and cooperative banks offer home loans. Banks and other financial institutions are among the places where they can be obtained.

Lending rates vary per lender and now range from 13% to 30%. There are loans available ranging from Rs 16000 to Rs 10 lakhs. The length of time it takes to repay a loan varies significantly; certain lenders may allow you to pay off your loan in as little as 60 months. The majority of lenders likewise have a maximum loan term of 36 months.

For a maximum of 60 months, the bulk of banks will lend between Rs20, 000 and Rs10 lakhs (Rs 1 million). You must be between the ages of 25 and 58 if you are employed and between the ages of 25 and 65 if you are self-employed.

When giving loans, banks take into account your income or profit, the number of years you've worked for a particular company, and the number of years you've lived in your current home.

Despite the fact that the home is society's most basic unit, only a small percentage of the population can afford to buy one with their own money. As a result, there is a high demand for housing as well as the ability to build it.

Financing for the purchase or modification of a home is referred to as "housing finance" or "home loan."

The following are the numerous types of home loan products:-

The term "mortgage" refers to a sort of debt.

- Loans for Home Improvement
- Home Improvement Loans
- Real Estate Financing
- Non-Resident Indian Loans

- Property equity loans are a sort of loan that allows you to borrow funds based on the worth of your home.
- Loans with a set repayment period (bridging loans)
- Changing a high-interest loan to a low-interest loan.

OBJECTIVES OF THE STUDY

- To gain a better understanding of HDFC Bank's home loan preferences.
- To determine how pleased HDFC Bank Home Loans customers are.
- Examine and identify the HDFC brand's strengths, as well as those that can be used to improve the brand's image on a daily basis.
- To have a better understanding of the Indian housing loan market and its present developments.
- Investigate a few different approaches to managing a house loan.
- Investigate client satisfaction with mortgages.

Examine the difficulties that consumers experience in acquiring house loans.

NEED AND IMPORTANCE OF THE STUDY

Applying for a loan is no longer an issue, with so many lenders on the block prepared to provide their services to everyone.

Gone are the days when you had to wait to buy anything or go out and do something you desired because a hassle-free and accessible Home loan is now a reality.

Various loans are now accessible on the market to meet people's particular demands. There are several forms of home loans accessible as well. They can help you make the most of your limited financial resources while also improving your standard of living. There should be no delay in applying for a loan, especially if it is suitable for your financial condition and can be made accessible to you at a convenient moment.

A home loan is commonly referred to as an unsecured loan since it allows you to borrow money without having to put up any collateral. Home loans can be used to finance the purchase of a home or a car. For a longer period of time, home loans are preferable.

SCOPE OF THE STUDY

Only a few challenges were investigated due to the time limits of this study endeavor. Because this study was conducted in a small area, the results may differ if the study area is enlarged or changed. Because some of the respondents' responses may have been skewed, the results of the analysis may differ. During the data analysis, it's possible that some human errors happened.

The total amount of house loans provided by banks has climbed dramatically during the last five years. Home loans are being taken up by an increasing number of people. We may learn more about consumer satisfaction and the issues they face when purchasing a home as a result of this poll.

METHODOLOGY

To have an understanding of the benefits of HDFC commercials and promotions, as well as those that may be used on a regular basis to improve the company's image.

The procedures utilized in a study are referred to as "research design." The goal was to gather data that was relevant to our goals and could be easily analyzed at a later point in the study.

This task was expected to be completed with the least amount of money, effort, and time possible. I choose "DESCRIPTIVE RESEARCH DESIGN" for my research to understand more about a comparison study of HDFC Bank's home loan plan and analyzing client satisfaction in Hyderabad.

The Benefits of Descriptive Research:

There have to be a lot of observations.

The analysis is objective to a greater extent.

The percentages and averages are calculated.

Methodology for Data Collection The methodology exposes the data collection procedures.

Both primary and secondary data sources can be used to acquire information.

Collecting secondary data:

After deciding on my goal, I began collecting and analyzing secondary data. All HDFC bank reports, articles, newspapers, journals, magazines, handouts, and booklets were thoroughly examined.

Secondary data analysis aided my grasp of the scenario.

It also guided me and assisted me in planning my primary research. It helped us learn how Patiala's many

service providers operate. Periodicals, journals, and newspaper clippings from publications such as Business World, Business Today, Business India, Economic Times, and others were used as secondary sources. HDFC Bank's websites.

Getting Your Hands on Primary Data:

The goal of this campaign is to the primary data collection is guided by the study objectives. The guidelines and orientations of research planning are provided by objectives. Defining the goals is the most effective way to find a solution.

The majority of the data for my study was gathered through a survey. A questionnaire was designed and distributed to 100 people to assess purchase behavior and provide insight into the extent of customer need satisfaction.

The following methods were used to acquire data:

An example of a phone interview is as follows:

In lieu of in-person interviews, a telephone interview is undertaken. It is utilized when data must be gathered fast and at a low cost. I used it to inquire about the customer's experience with HDFC Bank and the application procedure for an HDFC Bank home loan. The customers are the ones who ask simple, well-structured questions.

Questionnaires:

This method of data collecting is popular, particularly when dealing with large queries. A questionnaire is a method of gathering a large amount of data about a subject in order to assess and interpret the situation. I wanted to create a questionnaire that is amusing, achieves my aim, is in order to motivate respondents and collect as much information as possible. The goal was to make response classification and analysis as simple as feasible in order to give relevant data in a timely manner. Only a handful was kept covert, with the genuine goal concealed but sufficient information acquired from responses. The guidelines were followed when creating the questionnaire. On the questionnaire, the questions were arranged in a logical order. Questions were asked using Single Rank Order, among others. The fully created questionnaire was used for survey work after a series of tests and revisions.

The survey is carried out in the following manner:

The purpose of the survey was to gather primary data. Questionnaires were used to conduct a "Consumer Survey." Each participant had a one-on-one interaction

with me before completing the survey. The people who took part were chosen at random.

Methodology of Research System:

- A questionnaire was utilized as a technique.
- Use the home interviewing technique for surveys.
- The Client of the Sampling Unit
- Patiala,
- Taking random samples
- The survey method was used in the research.
- A 100-person sample size

LIMITATIONS OF THE STUDY

• In this case, I had participants chosen at random fill out the questionnaire because it's impossible to correlate the population features of a convenience sample collected for a customer survey. • The educated middle class provided the bulk of comments, indicating that the Home Loan Companies are targeting this group.

• This is attributable to two factors: the wide middle-class population and the middle-class population's big size.

• There is a growing need for and understanding of home loans in this class.

• As a result, the sample used here was not a genuine reflection of Hyderabad's population, but rather a representative sample of the population group targeted as potential consumers by mortgage lenders.

INDUSTRY PROFILE

According to the Reserve Bank of India (RBI), India's banking system is adequately capitalized and regulated. The country's financial and economic conditions are significantly superior to those of any other country on the planet. Indian banks are normally solid, according to credit, market, and liquidity risk assessments and they performed brilliantly during the global financial crisis.

The Indian banking industry is predicted to grow faster in 2016 as a result of the government's efforts to revive the country's economic boom. Furthermore, the RBI's new policies may go a long way toward assisting the domestic banking system's reform.

A bank is a financial entity that accepts deposits before lending them out. Financial services are frequently provided by banks to their consumers while also benefiting investors. Financial activity laws imposed by governments change over time and between countries. Banks play a significant role in the financial markets, providing services such as investment money and loans. Banks have historically owned large stakes in industrial

enterprises in some nations, such as Germany, yet banks are forbidden from owning non-financial businesses in others, such as the United States. Japan's banks produce keiretsu on a regular basis (cross-share holding organizations). The majority of French banks offer banc assurance to its customers (and, increasingly, real estate).

India's banking industry is rapidly expanding. There has been a significant increase in ATM, internet, and mobile banking transactions since the turn of the century.

The banking industry's climate began to evolve after the Indian Parliament passed the Banking Laws (Amendment) Bill in 2013. The bill gives the Reserve Bank of India (RBI) the authority to provide final instructions on new licenses, potentially increasing the country's bank population. The Reserve Bank of India has issued new guidelines for banks to follow when it comes to identifying problematic loans and pursuing rogue borrowers. When it comes to recognizing problematic loans and chasing rogue borrowers, the Reserve Bank of India has given new instructions for banks to follow. The Reserve Bank of India has issued new guidelines for banks to follow when it comes to detecting risky loans and pursuing rogue borrowers. The Reserve Bank of India has set new instructions for banks to follow in identifying hazardous loans and pursuing rogue borrowers. The Reserve Bank of India has issued new guidelines for banks to identify risky loans and take steps to track down rogue borrowers. The Reserve Bank of India has published new guidelines that would require banks to identify hazardous loans and take steps to monitor rogue borrowers. The Reserve Bank of India has issued new guidelines that will force banks to detect risky loans and take efforts to supervise rogue borrowers. The Reserve Bank of India's new guidelines would push banks to identify hazardous loans and take steps to regulate renegade borrowers. The Reserve Bank of India's new guidelines would encourage banks to detect risky loans and take appropriate action to control rogue borrowers. The Reserve Bank of India's new guidelines would encourage banks to identify troubled loans and take proper steps to keep renegade borrowers under control. The Reserve Bank of India's new recommendations will encourage banks to discover problematic loans and take appropriate action to keep rogue borrowers under check. The new recommendations from the Reserve Bank of India would encourage banks to detect bad loans and take proper action to keep rogue borrowers under check. The RBI's new guidelines will encourage banks to identify bad loans and take appropriate action to keep rogue borrowers in check. Some banks have already been granted government licenses, and the RBI's new guidelines will encourage banks to identify bad loans and take appropriate action to keep rogue borrowers in check.

As a result of its efforts to bring financial services to rural areas, the RBI and the Indian government plan to create up to two million additional banking employments over the next decade. Traditional operational processes will be phased out in favor of cutting-edge technologies.

HDFC Ltd Home Loan

Low-interest home loans with low monthly payments, high eligibility, low processing costs, and a straightforward application process are available from HDFC Ltd. HDFC Ltd is the largest private lender in the home loan category, with over 5.1 million customers. With 378 interconnected offices (including 103 HDFC Sales offices) and outreach initiatives in a range of places, HDFC Ltd has a wide distribution network in India.

Key Highlights of HDFC Ltd Home Loan

For women upto 30 Lakhs	8.55% - 9.05%
For Others upto 30 Lakhs	8.60% - 9.10%
For Women above 30 Lakhs - 75 Lakh	8.80% - 9.30%
For Others above 30 Lakhs - 75 Lakhs	8.85% - 9.35%
For Women above 75 Lakh	8.85% - 9.35%
For Others above 75 Lakh	8.90% - 9.40%
Lowest EMI per 1 Lakh	Rs.780

ICICI Bank Home Loan

ICICI Home Loans: Apply online for the best rates. Deal4loans.com gives you quotes on eligibility, monthly EMIs, papers, and procedures. ICICI Bank is India's fourth largest bank in terms of home loan disbursements. Home loans can be authorized electronically in as little as 8 working hours under the ICICI Express Home Loans Scheme. You may track your icici bank home loan application's progress online.

ICICI Home Loan Details:

Interest Rates	9.05% - 9.25%
Processing Fees	Rs 10,000+ AT or 0.25% + AT (Which ever is lower)
Pre payment Charges	Nil
Loan Amount	upto 90% of market value
Lowest EMI	Rs.906/lakh - Rs.919/lakh
Min. Income	Rs.18000/- p.m
Loan Repayment	1 to 30 years

COMPANY PROFILE

The Housing Development Finance Corporation Limited (HDFC) was one of the first private sector banks to receive 'in principle' permission from the Reserve Bank of India (RBI) in 1994, as part of the RBI's deregulation of the Indian banking market. The bank was founded as 'HDFC Bank Limited' in August 1994 and is headquartered in Mumbai, India. HDFC Bank was designated as a Scheduled Commercial Bank in January 1995.

BEGINNER'S GUIDE TO THE INDUSTRY

HDFC is India's largest home finance company, with a strong domestic and worldwide reach. Since its foundation in 1977, the Corporation has maintained constant and healthy development in its activities, allowing it to remain the industry leader in mortgages. More than a million properties are included in its outstanding loan portfolio. HDFC has a large corporate client base for housing-related credit facilities, as well as considerable retail mortgage lending experience across a variety of market segments. Because of its experience in the financial markets, strong market reputation, large shareholder base, and distinct customer franchise, HDFC was the best positioned to promote a bank in the Indian environment.

As of March 31, 2018, the Bank's authorized share capital was Rs. 550 crore. The Bank's paid-up share capital on the day in question was Rs 501, 29, 90,634/- (2506495318 equity shares of Rs. 2/- each). ADS / GDR Depositories own 18.87 percent of the bank's ADS and GDR Issues, while the HDFC Group owns 21.67 percent of the bank's equity. With 4, 41,457 stockholders, foreign institutional investors (FIIs) own 32.57 percent of the bank's equity.

The shares are traded on two stock exchanges: the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Bank's American Depositary Shares (ADSs) are traded under the symbol "HDB" on the New York Stock Exchange (NYSE) and its Global Depositary Receipts (GDRs) are exchanged under the ISIN code US40416F2002 on the Luxembourg Stock Exchange.

MANAGEMENT

Mrs. Shalala Goliath has a Master's Degree in Commerce and is a CAIIB. Mrs. Goliath worked for the Reserve Bank of India (RBI) for 39 years in a range of capacities, including policy formulation in the financial sector. He was the RBI's Deputy Governor and a member of the Board of Directors for seven years. Mrs. Gopinath influenced national policy in several areas, including financial sector regulation and supervision, financial market expansion and regulation, capital account management, government borrowing management, currency reserves management, and payment and settlement systems.

Mr. Aditya Puri, the Managing Director, has over 25 years of banking experience. Before joining HDFC Bank in 1994, he was the CEO of Citibank's Malaysia unit.

The Bank's Board of Directors is comprised of well-known figures in public policy, administration, business, and commercial banking. Senior executives from HDFC are on the Board of Directors.

The Managing Director oversees the company's numerous businesses and activities, which are managed by top banking professionals with vast experience in India and abroad. Because of the professional characteristics of its management team and a general focus on attracting and retaining the firm's best employees, the bank considers its personnel to be a significant competitive strength.

AIMS: Credit Rating:

Credit Analysis & Research Limited (CARE) and Fitch Ratings India Private Limited assessed the Bank's deposit programs. The CARE AAA (FD) [Triple A] rating has been given to the Bank's Fixed Deposit program, which denotes instruments of "high quality, with low investment risk." The bank's Certificate of Deposit (CD) program has been given a "PR 1+" grade from CARE, signifying "strong ability to repay short-term promissory obligations." Fitch Ratings India Pvt. Ltd. (a wholly owned subsidiary of Fitch Inc.) has given the Bank's deposit program an "AAA (in)" rating with a "stable" outlook. This rating reflects "excellent credit quality" and "very robust protection procedures."

Credit Rating Information Services of India Limited gave the bank a GVC rating, making it one of the first four Indian firms to do so (CRISIL). The grade is determined by an unbiased assessment of a company's present performance as well as a forecast for future "balanced value growth and corporate governance demands."



Forex Buy and Sell



Travel Card



Traveler's Cherubs



REVIEW OF LITERATURE

A loan is a financial asset transfer that takes place over time between the lender and the borrower. Although this is not always the case, the lender provides the borrower a lump sum of money that they must repay in monthly installments. The lender is usually charged for this service, which is then deducted from the debt as interest. One of the most important functions for financial institutions is that of a loan principle. Deposits for other institutions that issue debt contracts such as bonds are a common source of loan financing.

House loans from a number of organizations are becoming increasingly important in enabling people to realize their goals as a result of the rise in basic demands. They are useful when we need or want to purchase something but do not have enough money.

When compared to consumer durable loans, home loans are a superior option. In fact, before taking out a consumer durable loan, we should look for a home loan because it takes a little longer but has a lower interest rate. Home loans are appealing because of their flexibility in terms of tenure and the variety of programs available.

It's a form of general-purpose loan that's usually made without any type of collateral, such as a car, house, stock, or other asset.

Home loans are available from the majority of nationalized, foreign, and cooperative banks. They can be received from a variety of sources, including banks and other financial institutions.

Lending rates vary per lender and now range from 13% to 30%. Loans ranging from Rs 16000 to Rs 10 lakhs are available. The time it takes to repay a loan varies widely; some lenders may allow you to repay your loan in as little as 60 months. A maximum loan period of 36 months is also imposed by the majority of lenders.

For a maximum of 60 months, the bulk of banks will lend between Rs20,000 and Rs10 lakhs (Rs 1 million). You must be between the ages of 25 and 58 if you are employed, and between the ages of 25 and 65 if you are self-employed.

When it comes to providing loans, banks look at your income or profit, the number of years you've worked for a given company, and the number of years you've lived in your current property.

When you use your home as collateral for a home loan, the lender is assured that the loan will be paid back.

Until you've paid off your loan in full, plus interest, the lender agrees to keep your home's title or deed. A home loan, in basic terms, is an amount of money or a loan taken by a buyer from a financial institution or bank in order to purchase a new home at a pre-determined

interest rate. A house loan is a loan taken out from a bank or other financial institution to purchase or improve a home. A home loan can be applied for by any resident or non-resident who intends to buy a home in India. You can even apply for a loan before deciding on a house if you want to buy right away.

The Benefits and Drawbacks of a Home Loan:

Getting a loan is no longer an issue, with so many lenders on the block eager to provide their services to everyone. Gone are the days when you had to wait to buy anything or do something you desired because now you can get a quick and convenient Home loan.

Various loans are currently accessible on the market to meet people's individual demands. Home loans are available in a range of sizes and shapes. They can help you make the most of your limited financial resources while also improving your standard of living. Applying for a loan should not be put off, especially if it is appropriate for your financial condition and can be done at a convenient time.

A home loan is referred to as an unsecured loan since you can borrow money without putting up any collateral. Home loans can be used to purchase a home or a car. For longer periods of time, home loans are preferred.

A Fast Cash Advance Loan:

Is comparable to a bank loan; however cash advances are quicker to obtain and have a shorter repayment time. Your application for a bank loan is likely to be denied since banks want sufficient income, collateral, and a solid credit rating.-

The course lasts two weeks. As a result, you'll have to pay back the loan with your next salary. To apply, the applicant must be at least 18 years old. The cash advance company would check out/confirm your pay and employment. While the company is willing to help you, it must first be convinced that you will be able to repay the loan.

- This qualifies you for a cash advance of up to \$1000. Some firms will lend you larger quantities of money.

- The repayment time for most rapid cash advance loans is two weeks. Some cash advance providers, however, estimate that at least half of the loan will be repaid in two weeks and the remaining in a month, depending on the borrower's circumstances. These loans are referred to as 30 Day Payday Loans.

- Before taking out a 30-day payday loan, choose a company that offers long-term loans, and don't assume that all cash advance organizations offer long-term cash advances. It is significantly better to establish a long-term loan agreement before taking out the loan, as defaulting will result in additional interest and penalty.

Home loans for military personnel can be obtained at any time. Military roles pay well and have a lot of prestige, but they also come with a lot of additional costs.

DATA ANALYSIS AND INTERPRETATION

An HDFC Bank home loan can help you achieve any of your financial goals by acting as a one-stop shop for all of your financial needs. You may now receive a quick and easy house loan from HDFC Bank for up to Rs 16 lakhs at a fair interest rate.

You may gain speedy cash for a range of house demands with an HDFC Bank Home loan, including:

1. investing in a house remodeling
2. Spending time with family and friends throughout the holidays
3. Educational requirements of your child
4. Purchasing a laptop computer or other smart technology.
5. The cost of medical care, as well as any other unforeseen charges.

The most powerful home loan accessible is an HDFC Bank home loan. You'll simply need one of the following to acquire a quick house loan: –

1. A pay stub's stub's stub
2. Your credit card bill
3. The state of a current debt repayment.

You must have a net monthly income of Rs 96,000 or a net after-tax pay of Rs 60,000 to work at HDFC Bank, for example. If you are employed, you must have worked for at least one year in your existing job, and if you are self-employed, you must have been in business for at least three years. You must also have spent at least a year at your current address.

The loan is approved within three business days. The processing charge is normally 2 percent of the loan amount and is immediately taken from the payout amount. Prepayment penalties range from 3 percent to 5 percent of the remaining debt for the great majority of institutions.

OBJECTIVE

1. HDFC Bank's many home loan solutions are designed to assist people in need of a home loan in India via banking and financial organizations.

- The main purpose is to provide low-income people with the option to obtain a home loan with fair terms from the banking sector.
- To educate individuals about the many forms of home loans offered by various banks.
- Make it as simple as possible for them to receive funds.

FEATURES

- HDFC Bank offers a hassle-free home loan. The amount of the outstanding debt is covered by a free life insurance policy (covering total and permanent disability due to accident or illness) (covering total and permanent disability due to accident or illness). Except for any missed payments, the insurance coverage will cover the outstanding balance of the home loan at the time of death or total and permanent incapacity as a result of an accident or sickness.
- A loan for everyone: loans for salaried and self-employed workers, with the option of submitting an application jointly with your spouse.
- Easy and rapid loan: no paperwork and a 24-hour processing time. There are no requirements for security or housing guarantors.
- Get the most out of your loan: We have cheap interest rates on loans ranging from Rs 10,000 to Rs 1,00,000 lakh, or 10 times net income, whichever is lower.
- Flexible repayment options: You have the option of a 5-year payback period (60 installments) or an early settlement charge.
- Loans between 20,000 and 16 lakh rupees

If you match the following criteria, you may be eligible for an HDFC Bank home loan:

Criteria	Salaried	Self - Employed
Age	25 yrs. - 58 yrs.	25 yrs. - 65 yrs.
Net Salary	Net annual income - Rs. 96,000 p.a.	Net Profit after tax - Rs. 60,000 p.a.
Eligibility	Employees of Public Ltd. cos. Private Ltd. cos. MNC's Or Government.	Doctors, MBA's, Architects, CA's, Engineers, Traders & Manufacturers
Years in current job / profession	1 Year	3 Years
Years in current residence	1 Year	1 Year

Documents (Pre Sanction)	Salaried	Self Employed
Latest 3 months Bank Statement (where salary/income is credited)	Yes	Yes
3 Latest salary slips	Yes	
Last 2 years ITR with computation of income / Certified Financials		Yes
Proof of Turnover (Latest Sales / Service tax returns)		Yes
Proof of Continuity current job (Form 16 / Company appointment letter)	Yes	

Proof of Continuity current profession (IT Returns / Certificate of business continuity issued by the bank)		Yes
Proof of Identity (any one) Passport / Driving License / Voters ID / PAN card / Photo Credit Card / Employee ID card	Yes	Yes
Proof of Residence (any one) Ration Card / Utility bill / LIC Policy Receipt	Yes	Yes

Proof of Office (any one) Lease deed / Utility bill / Municipal Tax receipt / title deed		Yes
Proof of Qualification Highest Degree (for Professionals / Govt employees)	Yes	Yes

Service Charges for your Home Loan

Enclosed find the service charges for an HDFC Bank Home Loan

Prepayment of the loan is possible after 180 days of availing the loan.

Foreclosure charges as applicable would be levied on the outstanding loan.

Part pre-payment is not allowed.

No other fees or commitment charges are levied.

Description of charges	Home Loans
Loan Processing Charges / Origination Charges	2* % of loan amount + Origination Charges of 1% of loan amount
Prepayment Charges	5% on the principal outstanding
Charges for late payment (loans)	2% per month
Cheque Swap Charges	Rs. 500/-
Cheque bounce charges	Rs. 200/-

Note:

- 1) Origination Charges are included in the Advance installments/ First installment.
- 2) Service Tax and other govt. taxes, levies, etc.

Key Advantages

1. A small business loan that does not require a mortgage or security is available.
2. An overdraft, a letter of credit, or a bank guarantee can be used to secure a maximum loan amount of Rs. 25 lakhs.
3. A more rapid sanction.
4. Payments can be made in a variety of ways, such as in installments or in full.
5. A one-stop shop with a wide range of products.

Security

Home loans are quite adaptable. They do not necessitate asset banking or collateral. They are disbursed solely on the basis of the loan applicant's financial situation. If your spouse guarantees the loan or the loan is taken jointly, his or her salary may be taken into account when calculating the loan amount.

Repayment of a Loan

Payments on a home loan are made in equal monthly installments. EMIs are calculated using the loan amount, interest rate, and loan period. "Banks use the falling balance approach to calculate interest. The daily diminishing balance is used to compute the actual interest."

Transferability

If your present lender charges a high interest rate on your

loan and you can find another bank prepared to lend at a cheaper rate, you can transfer your loan to a new bank and save money.

Advantages and disadvantages of different loan programs

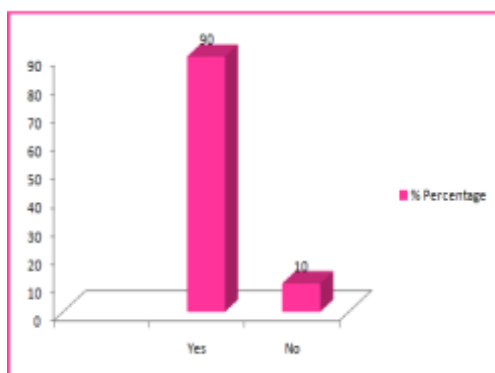
Loan Program	Advantages	Disadvantages
Fixed-rate mortgages	Predictable monthly payments Less risk if market conditions cause rates to rise Rate does not change	You pay more in interest Higher interest rate Unable to take advantage of lower interest costs if market changes to lower rates
Adjustable rate mortgages	Flexibility Lower initial monthly payment You pay less for short term ownership May be easier to qualify for higher loan amounts	More risk Inability to predict future housing costs Potential higher payments (at max. interest rate)

Stated income mortgages	Don't need to verify income	Higher rates Need a low LTV to qualify
Combination loans (such as an 80/10/10)	Avoid PMI Potential tax advantages	Possibly higher monthly payments Two monthly payments instead of one
Combination loans (such as an 80/10/10)	Avoid PMI Potential tax advantages	Possibly higher monthly payments Two monthly payments instead of one

Home equity line of credit	Flexible access to funds Potential tax advantages You only draw what you need You only pay interest on what you borrow	Ties up equity making it unavailable for other needs Higher interest rate than a first mortgage
Home equity loan	Predictable fixed payments Possible tax advantages	Ties up equity making it unavailable for other needs Higher interest rate than a first mortgage Cannot pay down and withdraw additional funds

Are you aware of the Home loan?

Information	No. of respondents	% Percentage
Yes	90	90
No	10	10

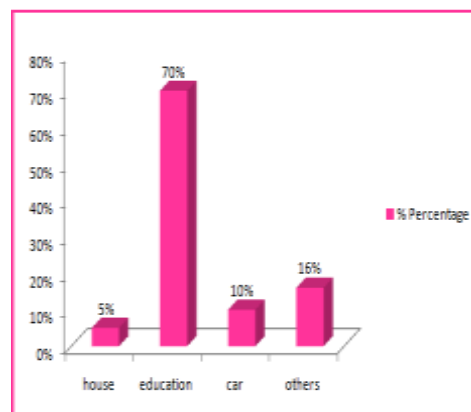


Interpretation:

90% of customers saying they are aware of Home loans and remaining 10 % of customers says No.

Do you plan to pursue Home loan in future?

Information	No. of respondents	% Percentage
house	05	5%
education	70	70%
car	10	10%
others	16	16%

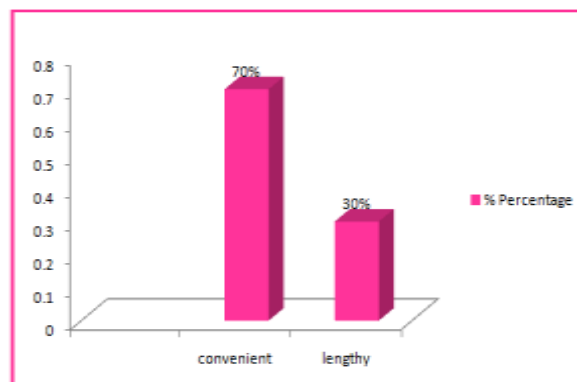


Interpretation:

70% of customers saying they are wanting of education loans and 5 % of customers say Home loan for house and 5 % of customers says Home loan for car, and 5 % of customers says Home loan for others.

Do you think the procedure for Home loan is_

Information	No. of respondents	% Percentage
convenient	70	70 %
lengthy	30	30 %



interpretation:

70% of customers saying procedure for Home loan are convenient and remaining 30 % of procedure for Home loan as lengthy.

Frequently asked question

What are the minimum and maximum loan amounts?

Loans ranging from Rs 20,000 to Rs 16, 00,000 may be available to you. This is determined by your eligibility, income, and ability to repay.

2. What are the different loan terms?

The loan can be repaid over a 13- to 60-month period.

3. Will there be any additional fees?

A processing charge of 2% of the loan amount is due at the time of application. This cost will be deducted from your disbursement balance.

4. Do you think my loan will be granted in a reasonable amount of time?

Loans are authorized within 72 hours of submitting all required papers.

5. Do I have to offer any collateral, security, or guarantors?

A home loan does not require any security, collateral, or guarantors.

6. What are my alternatives for repaying the loan?

If you have an HDFC Bank account, you can pay back the loan in Equated Monthly Installments (EMIs) with post-dated checks payable to HDFC Bank Limited or a direct debit from your HDFC Bank account.

7. Is it possible for me to pay off my debts sooner rather than later?

Yes, you have 180 days after taking out the loan to pay off the total debt. Prepayment penalties will be applied to the outstanding loan balance. Prepaying in part is not permitted.

8. Do I need to open an HDFC Bank account to apply for and/or service the loan?

We will encourage you to open a bank account with us so that we can provide you with a variety of additional value-added services not covered by the loan, but you are not compelled to do so.

9. How do I apply for an HDFC Bank home loan?

You can contact us using any of the methods listed below.

- A Customer Service Center that is open 24 hours a day, seven days a week.
- Fill out and submit a web-based application.
- <http://www.hdfcbank.com/customer-service>
- You are free to visit any of our locations at any time.

FINDINGS

• According to my research, getting a home loan is a difficult process for people who need one.

• According to my research, the vast majority of people choose for fixed-rate mortgages.

• When applying for a house loan, customers want for excellent service and a low interest rate.

Why the vast majority of respondents are satisfied with the institution or bank from which they obtained their mortgage.

• Media, the internet, and friends and family are all sources of information about mortgages.

• According to the respondents, HDFC Bank's interest rates are lower than those of OTHER BANKS.

• The majority of respondents believe that convenience is a critical element in obtaining a house loan from a certain bank.

• ACCORDING TO MY RESEARCH, THE MAJORITY OF PEOPLE BELIEVE OTHER BANKS CAN EASILY PROVIDE HOME LOANS.

• According to my research, the majority of people believe HDFC offers a flexible payback schedule.

• Miscellaneous expenses have an impact on respondents' decision to take out a home loan, according to the respondents.

• HDFC Bank's processing fees are cheaper than those levied by other banks.

• Respondents believe that they consider how banks treat them while making decisions.

• Other banks, according to the respondents, give better service than HDFC.

• The reputation of the banking institution, according to the respondents, should be considered.

• Because some people identify HDFC with bank reputation while others associate OTHER BANKS with bank reputation, all banks are likely to have a similar reputation.

• Respondents to my survey said that the length of their home loan influences their selection.

SUGGESTIONS

• Other financial institutions' interest rates should be competitive.

- Applicants for house loans should be supplied with free accident insurance.
- The creditworthiness of customers must be properly assessed.
- A daily lowering option should be available.
- Customers should be kept up to speed with relevant information on a regular basis.
- Customer retention should be a major priority.
- Employees who work in customer service should be knowledgeable about the mortgage industry.
- To gain a foothold in the rural market.
- To provide financial strategies to low-income people.
- To reduce training costs in comparison to competition (fees of advisors training).
- Increasing the incentive package's value.
- Expanding the number of locations around the country.

CONCLUSION

- Customers can compare interest rates from multiple banks and financiers during the loan application process to prevent paying a high rate of interest.
- It is preferable to prevent than to treat. As a result, customers must pay their EMI checks on time. If this does not happen, people may find themselves in a bad situation with lenders and financial institutions. If they do not repay the money on time, they will be unable to acquire a loan from a bank or finance company in the future.
- End users may consider their ability to repay the loan. They can compute their housing loan EMI using 1:4 calculations, which would help them make regular payments.
- Banks and financing companies can provide consumers speedy repayment returns, which will encourage them to settle their debts.
- When it comes to deciding whether or not to give a loan, bankers rely on CIBIL. As a result, the consumer is in charge of maintenance.

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