

Problem Faced by Consumers While Taking Home Loan with special reference to Malappuram District, Kerala

Salini CA

Research Scholar, Department of Commerce, Rathinam College of Arts and Science, Coimbatore - 641 021, Tamil Nadu

Email: Salinisateurheesh.salini@gmail.com

Dr. T. M Hemalatha

Associate Professor & Dean, Department of Commerce, Rathinam College of Arts and Science, Coimbatore - 641 021, Tamil Nadu

Email: dean.cm@rathinam.in

Abstract

The Review has been embraced to find the issues looked by home advancement clients spread over different bits of Malappuram district, Kerala. The application of SPSS programming concludes the actual purpose of the examination. The result shows that regardless of the way that the clients are content with the assistance given by home supporting establishments, they managed different ordinary issues, for instance, procedural delay and nonattendance of data about housing finance region, its mystery cost, arrangements, monotonous and particular paper customs, fluctuating advance expense, etc. In order to diminish difficulties, dwelling supporting associations should keep their credit expense dependably.

Keywords: Home Financing Institutions, Mortgage, Hindrances, Lending, immovable property

Introduction

Rarely essentially all people in rural district significantly depend upon bank credit to accomplish a dream house and consequently the home credit comes into plan of things. Everybody has a fantasy about possessing a house. It has almost transformed into an issue for a typical securing individual to buy a home by spending a solitary sum aggregate. Thusly, home development has emerged in to presence. There are numerous lodging finance companies and banks that offer home credit in equal numbers. The task of picking one association which arrangement home credit among the huge numbers open decisions have transformed into an outstandingly convoluted task in housing finance market of our country. Here it is an undertaking made with motivation to give the fundamental information about the typical difficulties defied when a singular applies for the home credit.

Statement of Problem

The title of task report qualified for "Concentrate On Issue Looked By Purchasers While Taking Lodging Credit with extraordinary reference to Malappuram region, Kerala".

Research Objectives

- To get mindfulness about various home credit things.
- To focus on the issues looked by clients in getting the home advances.
- To sort out the satisfaction level of client towards housing credit.

Research methodology

Research technique is a way through which we take care of the examination issue efficiently. It manages the goal of examination study. Clear as well as sensible strategy is used to Lead the audit.

Purposive testing procedure is for the most part used for social occasion fundamental data. Purposive testing technique is generally used for social occasion fundamental data. SPSS programming is utilized for investigating theoretical outcomes. The information gathered from 246 home advance clients circulated among different areas of Malappuram locale in Kerala.

Limitation of the Study

- The example size is restricted to 246 home credit clients.
- The review is done exclusively for a limited capacity to focus 3 months.
- Due to a lack of information and dithering, some of the respondents may not respond to the question.

Review of Literature

P K Manoj (2010): in his article named "possibilities and issues of lodging finance in India - Proof from Bhavanashree project in Kerala State" makes an endeavor to conduct a precise investigation of the lodging finance drives spread over the world, 's a step-by-step analysis that makes sense to Indians. climate and in conclusion make an exact review concerning Bhavanashree project intended for development of houses. The paper propose different elective techniques for quicker development of lodging finance in India.

R. Chaudhary & Y. Junjhua (2011): in the article named "client discernment and fulfillment towards advances" attempted to make sense of the view of home credit clients of Himachal Pradesh. Through the paper, he attempted to identify customer satisfaction levels and loan-related issues. Research observed that the clients were profoundly happy with the home credit administrations according to the administrations, straightforwardness, time taken for advance endorsement, worker participation and question dealing with. Nevertheless, a couple of issues like procedural deferral, nonattendance of data about reasonable plans and redtapism are in like manner found. In general outcome uncovered that the fundamental justification for individuals to favor is the trust of clients in the bank, lower loan cost and simple repayable portions.

Kshitija Sawant & shrikrishna Mahajan (2013) in the article " Housing credit the chiefs An examination of KUC bank Ltd " zeroed in on the overall assessment of home credit procedures and their execution by various banks. Each Bank has its own features, for instance, entrance step organizations, and approval TAT organizations for advance, engaging speed of income, basic and least documentation. The banks can expect a supporting part in this relationship by giving housing credit to numerous people who are equipped for it.

Mrs. S. Dharchana ,M. Lobha Mithirai et al (2019) in this research paper focus on client wisdom towards house credit fundamentally analyzed the choice of the clients, reason, issues and data about home development. The result revealed that bigger part clients had no data about the same.

T. Mamata & D. Kumar (2010) in the article entitled " A concentrate on issues connected with lodging finance - an involvement in State Bank of India" featured specific region of the broker and the clients in well defined for the State Bank of India in lodging finance in correlation with different rivals in the lodging business and furthermore centered around the recuperation framework followed by SBI.

Fouziya Hanif , Mussarat Shamshir et al (2020) in the article entitled " House finance for low pay bunches in Pakistan" basically examined that in the four territories different lodging plans are presented by the public authority yet because of the shortage of assets they are adequately not to fulfill individuals. Illustrative measurements procedures are utilized to examine the lodging plan with the correlation of populace concurring in every region. Banking areas should simple the system of house supporting to expand the quantity of borrowers.

Parishwang Piyush , Himanshu Negi et al.(2016) in this exploration paper center around client astuteness towards house credit in a general sense examined the decision of the clients, reason, issues and information about home turn of events. The outcome uncovered that greater part clients had no information about the equivalent.

Lonappan (2013): In the article entitled " An assessment of elements affecting client Home purchasing choice" writer dissected the variables impacting client's purchasing choice of home. The study's main goal was to look at the factors that influence a person's decision to buy a home and the problems they face. The investigation discovered that variables like size of house, Opportunity and independence, the executives and support of administration and so forth impact the client's home purchasing choice.

Soniya Mohil (2013): in the article entitled "Patterns of lodging finance in India" assess the development of lodging industry in India from 2008 to 2013 by surveying the yearly distributions and reports of Public Lodging Bank. The creator brought up that there is a requirement for furnishing credit with less expense and precise blend of private changes for arriving at the every single fragment. For a better economy, both a top-down and bottom-up strategy is required to improve home ownership.

Xia Cindy Gao (2011): Through a contextual analysis he completely analyzed - the degree of openness in regards to lodging credit which influences the responsibility for house in Nanjing, metropolitan China. The primary target of the review was to decide the social variables and financial elements which influence the shoppers lodging choice in metropolitan china and the connection between the cost of the advance sum and qualities of the borrowers. A lodging credit might be ensured by any guarantee security that bank may either kept a resource having a place with the borrower until the credit is reimbursed or has the privilege to hold onto such a resource in case of default.

Data Analysis and interpretation:

Table -1 Institution from where get loan :-

Place	Frequency	Percentage
Microfinance banks	6	2.4
District coop banks	68	2
Nationalised bank	163	66.3
Other banks	9	2.7
None of these	0	0

Majority took loan from Nationalized banks

Table 2- Mode of repayment of loan :-

Mode of payment	Frequency	Percentage
Regular	190	77.2
Irregular	56	22.8

Over due	0	0
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Respondents pay the credit in standard mode since they are not able to confront the results of over due.

Table 3- Hindrances for getting home loan

Hindrance	Mean	SD
Heavy paper works	2.089	.783
Red tapism	3.443	1.314
Complex formalities	4.488	.562
Lack of knowledge	4.528	.547
Procedural delay	4.557	.560

Majority respondents feel procedural delay followed by lack of knowledge as the main Problems in getting home loan.

Table 4- Table showing satisfaction level of loan amount

	Value	df	Asymp sig (2 sided)
Pearson Chi square	9.186	2	0.010
Likelihood ratio	9.345	2	0.009
Linear by linear association	9.129	1	0.003
N of valid cases	246		

The size of loan amount can influence the satisfaction level of customers.

Findings suggestions and conclusions

For a home loan, the majority of respondents preferred SBI Bank.

- Larger part are fulfilled in the assistance given by the banks.
- Interest rates draw the majority of respondents, while service provided draws other respondents.
- The loan amount taken by respondents ranges from one to five lakhs.
- Respondents are continued on their home advance at high pace of interest.
- Absence of own asset is the principal justification behind bringing back home advance.
- Respondents give data to others by overhearing people's conversations.

- Respondents favored fixed loan cost followed by banks.
- Procedural deferment followed by Nonattendance of data is the most disturbing issue looked by respondents.
- The best option for purchasing a home is a home loan, according to the vast majority of respondents.
- Respondents benefit advance with the yearning for home and have chosen to be alright with fixed speed of interest.
- The vast majority of respondents consider applying for a second mortgage on a comparable property within the next one to two years.

Suggestions

Techniques embraced for authorizing lodging credit to qualified candidates ought to be improved

- Borrowers should be offered the opportunity to design the size and time of EMLs.
- Powerful publicizing or other special exercises that will assist with laying out the brand name in the personalities of potential clients ought to be utilized to build the fame of home loaning programs.
- The banks should arranged the delegates to offer most outrageous incredible help to the clients.
- Taking care of cost charged by the banks for the treatment of housing finance application should be diminished.
- When a customer takes out a loan, the banks might let them choose which additional services they want. This will make client feel that his inclinations are considered.

For the housing finance industry to thrive and function properly, all banks must constantly consider interest rates.

Conclusion

Clients and lodging finance organizations face a variety of challenges. Housing finance institutions face difficulties such as a lack of long-term funding, intense competition, and a difficult mortgage enforcement procedure in the event that borrowers default on their payments. A lack of familiarity with banking procedures and procedural issues have also been encountered by customers. The scientist, then again, has offered a few answers for these issues. Due to its reputation and goodwill with the general public, L1 Banks can be utilized for service promotion. If banks introduced any restricted time development and organizations, it could help the relationship with cultivating their business up to some extent.

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