

ANALYTICAL STUDY ON CUSTOMER SATISFACTION TOWARDS HOME LOANS

Anju ,Research Scholar IMSAR

M.D.University, Rohtak

Prof.NeelamJain,IMSAR

M.D.University, Rohtak

ABSTRACT

A bank from a bigger picture point of view has a group of money-related services that are available to everyone. These services help people, different foundations, and different businesses. State and federal laws allow theories monetary partners to get or loan money from any kind of business, person or non-profit organisation in their own country or anywhere else in the world. They can do this even if they don't live in that country. Without banking, our savings would be unused in our homes, the business visionaries would not be able to get the money, and people who want to buy a new car or house would not be able to do so. Without banking, our savings would stay in our homes, the business visionaries would not be able to get the money, and people who want to buy a new car or house would not be able to do so. Housing is one of the most important things for people to have, right after food and clothes. A major goal for an adolescent who wants to live a good life is to get ready for a house. This takes precedence over the needs of other members of the family and animals.

Keywords: Customer, Satisfaction, Money, Entrepreneurs, Purchase, Primary, Financial

INTRODUCTION

One of the most basic human needs, right up there with food and clothes, is a "house." It's not simply a shelter, but also a resource and an abundance of people. Building a house is one of the most common uses of a housing account or advance, which is a sum of money set aside for addressing various housing-related needs, such as the purchase of a home or level, the acquisition of land for building a home, or the enlargement of a home. In terms of economic ramifications, housing comes in third place out of 14 major companies. It is the country's second-largest employer after agriculture. The dearth of housing in metropolitan areas is 18.78 million units, compared to 43.67 million units in the provinces, according to a study from a specialist gathering on metropolitan housing shortfall in India (2012-17). In 2012, the share of GDP attributed to housing credits remained at roughly 7 percent. According to the data shown above, India's housing market is still in desperate need of improvement.

Housing isn't simply a need, but it also serves as a fair foundation for an individual's financial and personal well-being. Individuals moving from rural areas to urban areas for jobs have increased demand for housing as a result of population growth and the resulting juggling of population movements. Housing demand has grown alarmingly as a result of rising financial security and rapid urbanisation. The purchase of a home is often the most significant financial risk a person takes on in the course of their day-to-day lives. An further benefit of a house's enthused component is that a bank will feel more confident lending money to it. Most borrowers have enough money saved up to invest in a home, which contributes to the overall health of the credit.

A large number of people who are brilliant, semi-talented, or inept in the development industry of a chaotic region are given employment opportunities thanks to housing finance.

It also boosts the commercial prospects of those who offer construction supplies, all things considered. When compared to other types of loans, the repayment of housing advances is a positive experience.

LITERATURE REVIEW

Dr. KRISHNA BANANA (2018) The study's goal is to assess how satisfied LIC Housing loan customers are with a variety of aspects, such as the bank's legal practises and tactics, the internal atmosphere of the bank, the likelihood of recommending the bank to others, and the bank's celebration plans and offer. Convenience inspection was the testing approach used in this research, which is graphic in nature. It is based on LIC Housing Finance Ltd's sample size of 90 respondents who had taken out a mortgage with them. With the help of factual programming SPSS, Discriminant Analysis was used to investigate data collected via surveys. Clients who use an overdraft office are more satisfied than those who don't, according to a recent research. Consumer loyalty is more strongly influenced by following the rules of the law and following established procedures. The bank's intentions and services need to be made clear to the public in a massive way.

SupreetGaba (2017) People, businesses, and organisations may all benefit from a bank's wide range of financial institutions, which are available to the general public. In order to borrow or lend money to organisations, individuals, nongovernmental organisations (NGO), and the like, state and federal legislation need the approval of proposals monetary partners. The banking industry has made significant contributions to the global economy. We wouldn't be able to invest our savings, the business visionaries wouldn't be able to get their hands on the money, and regular people who want to buy a new car or house wouldn't be able to. For the purposes of monetary, managerial, administrative and development in the character of credit frameworks that are helpful, agreeable banks are multifunctional institutions. Overall, the cooperative banks in rural and semi-urban areas need to serve as a guide, advisor, and guidebook for the whole helpful infrastructure. The results of this inquiry are dependent on a few Delhi-area banks (India). Banks' exhibitions and loaning rehearses are examined as part of the test. Clients from a variety of Delhi-based banks are included in this study. With the use of this test, we want to identify the role played by loaning practises in credit risk management.

Jyoti Gupta (2012) The banking industry has performed economic miracles over the globe. It is a simple-looking approach to accept cash from savers and then lend that same amount to borrowers, banking movement encourages the flow of funds to profitable usage and speculation. As a result, the economy is able to grow. We wouldn't be able to invest our savings, the business visionaries wouldn't be able to get their hands on the money, and regular people who want to buy a new car or house wouldn't be able to. It was in 1904 when India's public authority started to aid the country's growth. Due to popular dissatisfaction with usury and national obligations at that time, public authorities decided to establish cooperatives as the institutional office responsible for dealing with them. In a variety of situations, cooperative banks serve as a reorienting point of reference. A handful of helpful banks are now executing monetary, regulatory, administrative, and advancement in the nature of expanding and improving credit frameworks. It's all about being a friend, rationalist, and handbook for the full acceptable structure that the helpful banks should be. For the exam, Delhi has a few reliable testing centres to turn to (India). Investigation of the bank's exposition and the loaning rehearses it provided to its customers is undertaken herein, The customer has borrowed money from many banks. The bank was also urged to

keep up with private area banks by adopting the most modern financial technology, such as ATMs, web/internet banking, Mastercards, and so on.

C.Gomathi (2014) Housing is a fundamental human necessity, and it ranks alongside food and clothes in importance. A main priority for a young person who is creating a life is to prepare for a home. This is more important than the needs of animals or other members of the household. A family's normal monthly earnings or savings can't cover the cost of housing, which is a considerable usage. The anticipated property owner should look for a substantial loan that can be repaid over a longer period of time, often throughout the rest of one's working life. A borrower's eligibility and the lending policies of the banks determine whether or not a loan is made available to him or her for the purchase or construction of a new home. Cover is one of the most essential human needs. For any working-class family, owning a home is the ultimate goal. A variety of tax advantages were made available to residents in this region as a result of the government's support for home money auxiliary. As a result, numerous players joined the housing account. Taking out a house loan has a number of benefits, not the least of which is the low interest rate. For house loans, there are both fixed and variable interest rate options. In addition to house loans, several lenders now provide home renovation loans at a comparable financing rate.

RESEARCH METHODOLOGY

Research Design

A number of aspects, such as the bank's legal formalities, the bank's internal atmosphere, and whether customers are likely to recommend the bank to a friend, are being taken into account in our study of LIC Housing loan customers. Cross-sectional examination design was used in this inquiry, which is engaging in nature.

Data Collection

Primary and auxiliary data are both included in the study. Primarily, data were acquired directly from the respondents using a meeting arrangement to facilitate direct interviews. auxiliary sources included books, diaries, and websites. We are interested in measuring the degree of satisfaction of Housing loan customers based on a few variables, such as the legal formalities and tactics of the bank, the internal atmosphere of the bank, the likelihood of suggesting others, and the festival plans and offers of the bank. This is an illuminating research, and the investigation design used is a cross-sectional investigation design.

Statistical Tools Used

There is a lot of detail in this section on how to conduct an inquiry, from gathering data and doing fieldwork to creating a meeting plan and using ANOVA tables.

DATA ANALYSIS

As of the 31st of March 2016, the Housing Loans sector has grown by 26%, to a stunning sum of Rs. 21,544 crore. The total amount of home loans granted in 2015-16 were Rs. 8650 lakh, or 17.866 percent of the total loans. It also implemented various government schemes, including the Credit Guarantee Fund Scheme for Low Income Housing (CRGFSLIH), the Housing Interest Subsidy Scheme named "Rajiv RinYojana" sent by the Ministry of Housing and Poverty Alleviation, and the Education Loans revenue subsidy

under the Central Scheme for Interest Subsidy (CSIS), New CSIS, and 'Padho Pradesh for Minority Communities' (PPM).

Table 1: Table shows the maximum amount of loans availed

S.No.	Reason for taking loan	No. of Respondent	Percentage (%)
1	Reasonable rate of interest	16	10.67
2	More schemes	15	10.00
3	Less formalities	36	24.00
4	Easy repayment	72	48.00
5	Any other	11	7.33
	Total	150	100.00

A loan disbursement of more than Rs. 1 lakh was recorded in Table 2. The loan amount lagged by one lakh (37.33 percent) increased from Rs.20000 to Rs.50000 (33.33 percent). According to this logic, there are two types of customers: those who gain from little loans and those who benefit from large loans. As a result, it is important to take safety precautions while approving these loans in order to avoid any possible credit hazard.

Table 2: Term of Loan

S.No.	Term of Loan	No. of Respondent	Percentage (%)
1	Less than 1 year	18	12.00
2	1 to 3 years	30	20.00
3	More than 3 years	102	68.00
	Total	150	100.00

Table 2 lists the main reasons why customers choose a loan period of three years or more (68 percent), followed by one to three years (13 percent) (20 percent). Consequently, it can be observed that the UCB's in Delhi have the most severe loans for more than three years, which increases their chances of credit risk even higher.

Table 3: Customer Service

S.No.	Rank the customer services	No. of Respondent	Percentage (%)
1	Excellent	64	42.67
2	Good	34	22.67
3	Average	38	25.33
4	Poor	14	9.33
	Total	150	100

Table 3 demonstrates how customers feel about the bank's customer service and how they reacted to customers throughout the loan process. It was guaranteed by 42.67 percent of severe customers, followed by 25.33 percent of average clients and 22.67% of wonderful

clientele. It implies that customers are satisfied with the bank's customer service structure, reinforcing the Delhi demographic of UCBs.

RESULTS

The bank was necessary in order to fully grasp the concept of safeguards. Examining legal review reports Next, the documenting of significant settings and a report that is essential to provide to the borrower on the consent of the upgraded/restored credit office is completed. Cutoff points for several records in drawing are established. Book of obligations and stocks are examined as part of post-assent monitoring to ensure that the security, character and quantity of the obligations and stocks are adequate. The unit review with the bank authorities, for example, is a critical activity that is done periodically to verify stock claims. In the conclusion, an investigation was conducted to examine the NPA's and understand the concept of the non-profitable borrowers and offer possible solutions to prevent a record from becoming NPA.

Table 4: Test

Overdraft		Mean	Std. Deviation
Overdraft facility availed	Legal formalities procedures	3.738	0.38787
	Internal environment	3.4889	0.34157
	Likelihood to recommend	3.9556	0.70568
Overdraft facility not availed	Schemes offers	3.8444	0.56228
	Legal formalities procedures	3.2708	0.41649
	Internal environment	3.2847	0.35604
	Likelihood to recommend	3.4167	0.97431
	Schemes offers	3.375	0.49454
Total	Legal formalities procedures	3.5761	0.45436
	Internal environment	3.4179	0.35772
	Likelihood to recommend	3.7681	0.8427
	Schemes offers	3.6812	0.5814

This test at Finance of India Ltd. was quite instructive. Moreover, it was a wonderful opportunity for us both to learn and to strengthen our ties. The home loan portion of their retail lending categorization is second only to the credit extended to small and medium-sized enterprises. Client feedback indicates that those who have taken overdraft office are better satisfied with their lives. Consumer loyalty is more strongly influenced by following the legal procedures and formalities. In order to ensure that customers are aware of the bank's many plans and offers, the bank should take extraordinary measures. Housing Finance Ltd's methods have been very successful, and they've given careful regard to even the smallest of details. There is a FICO scoring structure for them.

CONCLUSION

India's house loan market grew by more than 40 percent in the last four years, a rate that is troubling. As one business expert has noted, there is little to no chance that future growth rates will fall dramatically. Consequently, it's critical to examine the major elements that kicked off this rapid growth phase. Several factors may be attributed to the growth of the house loan industry, including these.

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