



Chapter - 3

REVIEW OF LITERATURE

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3.1 INTRODUCTION:

It is always said that past experience provide perfection to future. Review of literature plays pivotal role in understanding the significance, background and the present situation selected for the research work. So this chapter deals with review of available literature relating to Housing Loans and Credit Management. Summary of research articles written by experts in the field of Housing finance and Credit management published in the various periodicals such as journals, magazines etc. have been reviewed in this section. Housing loan scheme has been introduced by any bank of financial institutions plays very important role in catering the credit needs of people. The bank's Housing loan has been available for Residents Indians as well as Non Residential Indians. (NRI's). The Housing loan scheme is eligible for salaried persons, professionals/ businessmen having sufficient disposable income to meet the repayment of loan. Credit management makes some observation regarding management of trade credit in India. These observations are divided into three broad areas. Credit policy, Credit analysis and Control of accounts receivables.

3.2 REVIEW OF EARLIER STUDIES:

Earnest. N. Fisher (1934) has articulated that four important results are likely to flow from the program of the Federal Government. First some admirable housing

demonstrations will probably be made in widely scattered areas. Secondly the activity of local government units and their intervention in the housing situation will be greatly accelerated. Third some harmful effects on private investments in competing housing facilities will doubtless insure. Finally the program will undoubtedly have some effect in relieving the unemployment situation.

J.E. Mc.Donough (1934) has entitled that review of the capital industries is increasingly heralded as the solution to depression difficulties. Small-home construction, repairs and mortgage financing offer extensive opportunities for stimulating capital industries and simultaneously assisting distressed home owners and mortgage creditors. Already functioning are the various agencies embraced in the Federal Home Loan Bank System whose enlarged legislative powers and expanding operations merit attention. The entire system. In both its emergency and permanent agencies, constitutes an important addition to the mechanism of home loan finance.

Jerry .R. Jackson and David .L. Kaserman (1980) have discussed that studies dealing with risk of default on home mortgage loans implicitly incorporate two alternative theories of default in the interpretations and explanations of imperial results. This paper provides a formalization of these competing theories and derives some testable hypotheses that may be used to distinguish between these theories empirically. Data obtained from the FHA file of individual loans insured under the section 203(b) program are used to test these hypotheses. The evidence supports an equity maximization model of default in lieu of an ability-to-pay-model. Implications of this finding for the design of an efficient home- ownership. Subsidization program are explored briefly.

David. L. Wickens (1937) has articulated that Housing finance in the United States, like all other phases of real estate activity, has grown largely from result has been an unstandartized set of loan and credit conditions which have varied widely from city to city. The first steps towards co ordination in urban residential finance have been taken during the past few years but they have only began to alter the conditions which were long in developing.

Bettin Stalling (1938) he has entitled that there is evident need in this country for small homes, Yet our present mechanics lien laws constitute one of the principal impediments to the repeated efforts to encourage and promote the individual ownership of homes. The origin and operating effect of these Laws will be discussed from this view point.

James .Gillies and R. Clay Sprowls (1955) have articulated that the analysis of the characteristics features of veteran and non-veteran buyers of house financed under of house finance under the provisions of the Servicemen's Readjustments Act clearly points out that the purchasers do not differ with respect to the time of the purchase or the purchase price of the home. They do, however, different with respect to age and income. The non-veterans are not only order, but they tend to have, at the same time, higher incomes.

John.J. Vax (1958) has clarified that when the program was established in 1954, there was adequate financing in the big cities for whites so HMCP was created for small towns and outlying areas for VA and federal Housing administration Loans and also for minority groups in general because in the south the Minorities did not get FHA and VA loans on equal terms with whites. Therefore, the principal purpose is to provide financing for minorities in small towns.

Norris .O. Johnson (1952) has articulated that the word "Impact" conveys the thought of a sharp blow or jolt .In this sense defining the past two years as "recent"- there has been only one credit and debt management policy that meets the full qualification. That was the Treasury-Federal Reserve. "Accord" announced on March 30, 1951. The chairman of the Federal Reserve Board and the Secretary of the Treasury has been asked by Congressman Wright Patman to describe this "Accord." But there is no doubt that unpegging the government bond market was the central feature of the agreement.

David .C. Ewert (1968) has focuses that Screening of customers applying for credit is a common practice for trade creditors. This dissertation which examines this practice has three parts. It begins with a theoretical analysis of the value of controlling a firm's investment in receivables. Then, a statistical model is developed as an improvement over the subjective methods of determining a customer's credit-worthiness which are currently in practice. Finally an empirical- example illustrates how this statistical model can be constructed and applied.

Eric Rosenberg and Alan Glert (1994) have articulated that many static and dynamic models have been used to assist decision making in the area of consumer and commercial credit. The decisions of interest include whether to extend credit, how much credit to extend, when collections on delinquent accounts should be initiated, and what action should be taken. We survey the use of discriminate analysis, decision trees, and expert systems for static decisions, and dynamic programming, linear programming and Markov chains for dynamic decisions models. Since these models do not operate in vacuum, we discuss some important aspects of credit management in practice. E.g. legal considerations,

sources of data, and statistical validation of the methodology. We provide our perspective on the state-of- the-art in theory and in practice.

Shirish.B.Patel (2005) have articulated that Mumbai is confounded with a host of problems pertaining to housing the poor and the not-so- poor. With rising real estate prices, more and more perfectly respectable jobs cannot find affordable housing to buy or to rent, not to mention those who are self-employed or in the lowest strata of society. More than half the population lives in slums. Residential construction for rental for the middle and lower income groups stopped half a century ago, because of the Rent act, and shows no signs of revival. There is widespread urban blight. This article reviews the existing situation and suggests a range of housing policies that could begin to address this particular aspect of Mumbai's myriad problems.

Gurbir Singh, P.K.Das (1995) have articulated that the Afzalpurkar report on housing of Bombay's 40 lakh slum-dwellers fails to its implications to their logical conclusions. With procedure of transit accommodation not clearly worked out and no commitment on the part of the state towards infrastructural development, the scheme has generated a lukewarm response among the builders and may face opposition from the slum- dwellers themselves.

Hemlata.C.Dandekar, Sashikant.B.Sawant (1998) have articulated that this article, a survey of three localities in a rapidly expanding suburb of Pune, differentiated classwise, illustrates the segmented utilization of livelihood opportunities, services and facilities by the residents of the region. More importantly, the article attributes the suburbs robust growth to its timeliness in meeting the emerging housing needs of the upwardly mobile middle class

living in the heart of Pune city and also suggests that its relatively low infrastructural cost may be an incentive attractive the retired members of middle class households of Mumbai.

3.3 CONCLUSION:

The Housing loan scheme plays a major role in providing loans mainly to lower and middle class customers. It provides commentary on social, psychological, economic and policy issues. It provides background about housing and addresses specific issues that may be critical to future housing decisions. With just a little bit of careful planning your search for the home of your dreams can be a rewarding a financially responsible experience that gives you a great place to live without braking the bank. The performance of co-operative bank in respect of housing loan is related with day to day life of society.

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