

Chapter - 5

DATA ANALYSIS
&
INTERPRETATION

CHAPTER - V

DATA ANALYSIS & INTERPRETATION

5.1 INTRODUCTION:

The Kolhapur Urban Cooperative Bank has introduced many schemes for providing loans throughout Kolhapur district. It is found through review of literature that the performance of urban cooperative banks has not much covered by the researchers. So the present researcher has taken interest in knowing the performance of the bank in respect of housing loan. It was the need of hour to evaluate different housing loan schemes introduced by the Urban Cooperative Banks. Hence the present researcher has selected the topic as "Credit Management and Strategies Related to Home Loans with Special Reference to Khasbag Branch of The Kolhapur Urban Co-Operative Bank."

In this dissertation, the first chapter has covered the introductory measures as theme of the subject, problem of the study, its significance, scope, limitations, research methodology and chapter scheme. The second chapter provides the information about the establishment of bank, its brief history, growth and achievements. In third chapter the reviews the earlier studies on the similar topics have been taken to find out gap of research whereas fourth chapter covers the procedure of home loan laid down for borrowers. Now this

chapter have devoted to the analysis and interpretation. It has been divided into three sections as first section covers the performance of the bank in respect of home loan, second section covers the comparison between three types of bank and third section covers the analysis of data related to borrowers.

The case study method has been adopted to understand the procedure, the system and technique adopted by Urban Cooperative Bank for providing home loans and for collecting repayment and interest. The primary data collected from branch managers have been analyzed to make comparative analysis of home loan policy formulated by Urban Cooperative Bank and other banks. The primary data collected from borrowers to identify the problems encountered by executives on one hand and problems encountered by customers on the other. The data collected by the present researcher have been classified and tabulated according to the objectives of the study.

In Kolhapur District there are 60 UCBs in which 9 are merged and 361 branches of The Kolhapur Urban Cooperative Bank and in Kolhapur city there are 9 branches offices and 1 head office. In the first stage of sampling, the Kolhapur Urban Cooperative Bank's Khasbaug Branch in Kolhapur city has been selected as a sample unit for case study. In second stage of sampling, the borrowers of housing loan have been selected by judgmental sampling method for the comparison purpose as shown in Table 5.1.

SECTION - I PERFORMANCE OF THE KUC BANK

5.2 PERFORMANCE OF BANK BRANCH IN RESPECT OF HOME

LOAN:

The performance of bank branch in respect of home loan has been analysed in terms of ;

(i) the disbursement of home loan, (ii) the repayment of home loan,

(iii) the NPAs of home loan

5.2.1 The Disbursement of Loan:

The disbursement of loan means actual distribution of amount of loan approved to the borrowers.

Table-5.1

Disbursement of Home Loan by Khasbag Branch of KUC Bank,

YEARS	NO. OF BORROWERS	AMOUNT DISBURSED	ANNUAL GROWTH (%)
2004-05	18	41,05,000.00	-
2005-06	21	42,35,000.00	3.17
2006-07	26	56,34,000.00	33.03
2007-08	39	95,57,500.00	69.64
2008-09	62	1,74,87,500.00	82.77

Source: Annual Reports of KUC Bank

Figure 5.1
Disbursement of Home Loan of Khasbag Branch of KUC Bank

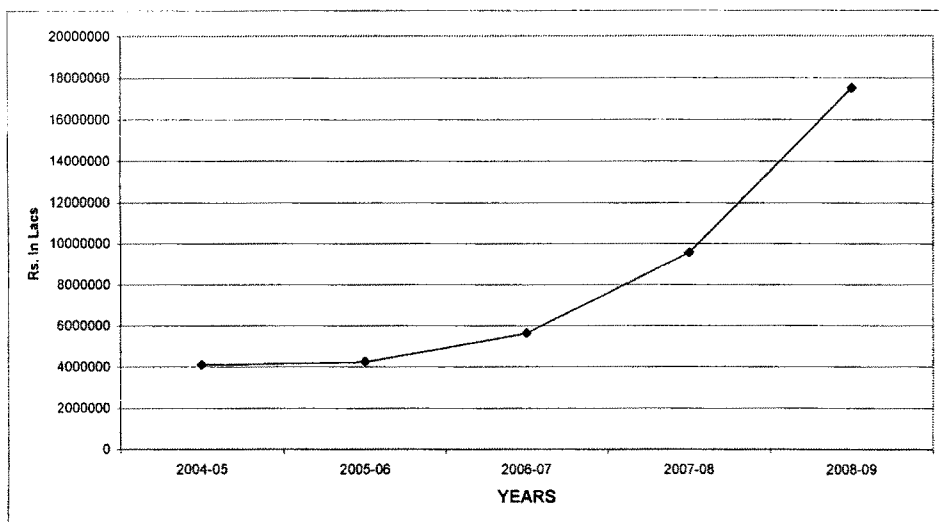


Table 5.1 shows that in the year 2004-05 the bank has disbursed Rs. 41,05,000 lacks home loan to the 18 borrowers. In the year 2005-06 the bank has disbursed 42,35,000 lacks home loan to the 21 borrowers. It mean as compared to previous year the bank has disbursed more loan Rs 1,30,000 lacks to the borrowers. In the year 2006-07 the bank has disbursed 56,34.000 lacks home loan to the 26 borrowers. It means as compared to previous year the bank has disbursed more loan Rs 13,94,000 lacks to the borrowers and same thing is happened in the next year i.e.2007-08 Up to the year 2008-09 the bank has disbursed Rs. 1,74,87,500, it means this trend is continuously increased.

The bank has shown their continuously increasing trend in the disbursement of home loan.

5.2.2 The Repayment of Loan:

The repayment of loan means the payment in return from the actual amount of loan.

Table -5.2
Repayment of Home Loan by borrowers of Khasbag branch of KUC Bank

YEARS	REPAYMENT AMOUNT	% OF REPAYMENT AMOUNT TO DISBURSED AMOUNT
2004-05	24,69,190.00	60.15
2005-06	10,75,652.00	25.40
2006-07	15,13,218.00	26.86
2007-08	20,68,722.00	21.64
2008-09	9,47,597.00	5.42

Figure 5.2

The Repayment of Home Loan of Khasbag branch of KUC Bank

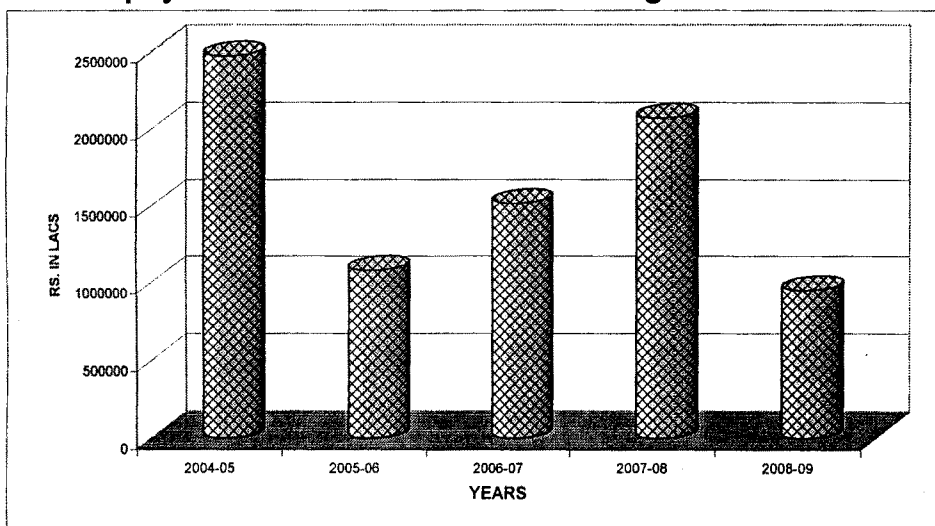


Table 5.2 shows that in the year 2004-05 the borrowers have repaid against the loan i.e. Rs. 24,69,190 in the year 2005-06, i.e. 10,75,652.00 only. It means as compared to previous year the repayment amount is decreased but this trend has changed in the next year. The repayment of amount has increased. This trend is continuous up to 2007-08 and in

the year 2008-09 this trend has changed again as the repayment amount has decreased as compared to previous year because the loan recovery system of the bank was very poor and bank has given loan to the members of the bank and the main reason is weak management policy towards the recovery of the loan and they are not taking corrective measures towards repayment of loan.

5.2.3 THE NPA'S OF LOAN:

The Non-performing asset was defined as credit in respect of which interest and/or installment of principle has remained 'past due' for a specific period of time. With a view to moving towards international best practices and to ensure greater transparency, the '90 days' overdue norm for identification of NPAs has been adopted, from the year ending March31, 2004.

Table-5.3

NPA's Of Khasbaug Branch Of KUC Bank

(Rs. In Lacs)

YEARS	Sub Standard	Doubtful A	Doubtful B	Doubtful C	Total NPA
2004-05	42.16	2.57	4.94	0.00	49.67
2005-06	26.40	0.00	4.94	0.00	31.34
2006-07	2.20	3.79	4.51	0.00	10.50
2007-08	7.42	0.33	0.00	3.80	11.55
2008-09	6.87	0.78	0.65	1.87	10.17

Figure 5.3
NPA'S of Khasbaug Branch of KUC Bank

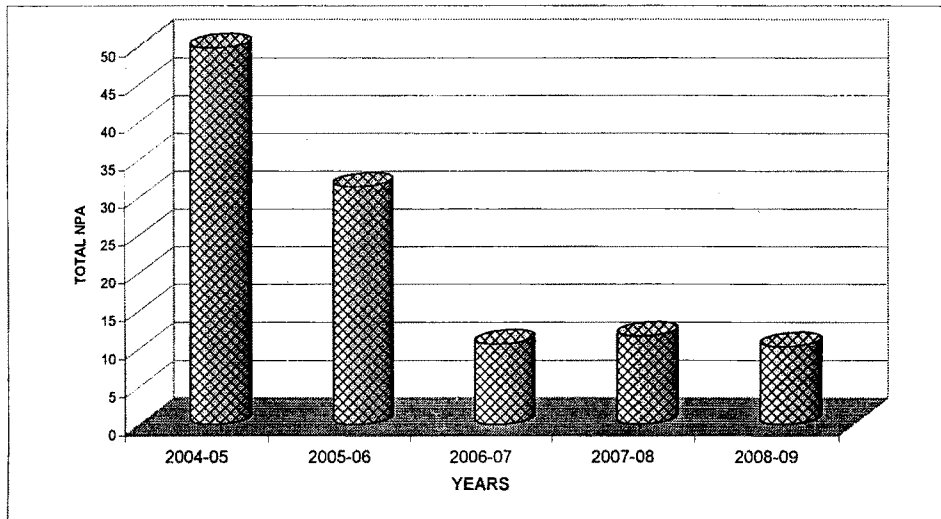


Table 5.3 shows that in the year 2004-05 the NPA was Rs. 49.67 lacks, whereas in the year 2005-06 that was Rs. 31.34 lacks. It means as compared to previous year the NPA was decreased by Rs. 18.33 lacks. Also in the year 2006-07 the NPA was Rs.10.50 lacs, it means as compared to previous year, the NPA was decreased by Rs.20.84 lacs. The trend is change in 2007-08 the NPA was Rs. 11.55 lacs it means as compared to previous year the NPA was increased by Rs. 1.05 lacs. This trend is continuous up to 208-09 this year as the NPA was only Rs.10.17 lacks it means the bank has recovered this loan very efficiently.

SECTION - II : COMPARISION BETWEEN BANKS

5.3.1 Strategies of the Bank :

The Bank has different strategies to attract the borrowers for making use of their facilities or loans. The strategies used by the bank such as door step service, easy and minimum documentation, interest rate etc as shown in table 5.4

Table - 5.4
Strategies of the Bank

Strategy	ICICI Bank	Bank of India	KUC Bank
Door Step Service	✓	x	x
Easy & Minimum Documentation	✓	x	✓
Sanction TAT	✓	x	x
Disbursement TAT	✓	x	x
Attractive Interest Rate	x	✓	x

Table 5.4 shows that ICICI Bank is following first four strategies i.e. Door step service, Easy and minimum documentation, sanction and disbursement TAT but ICICI bank is not giving attractive interest rate because the PLR of ICICI bank is high as compared to Bank of India.

Bank of India where it is following Attractive Interest rate and personalized banking services. Bank of India is not following the other strategies and the old policy matter due to the lack of professional approach like sales team.

The repayment amount was not satisfactory because the repayment amount is very low against the disbursement of loan of each year.

5.3.2 Priorities for Strategies given by respective Bank:

The banks give more or less priority for different strategies, according to their convenient. The priorities for strategies given by respective banks are shown in table 5.5

Table - 5.5

Priorities for Strategies given by respective Bank

Strategy	ICICI Bank	Bank of India	KUC Bank
Door Step Service	I	II	III
Easy & Minimum Documentation	IV	-	I
Sanction TAT	II	-	IV
Disbursement TAT	III	-	II
Attractive Interest Rate	V	I	V

(Note: TAT - Turn around time)

Table 5.5 shows that ICICI bank has preferred at first rank to Door Step Service due to the

competition in banking sector.

Bank of India has preferred at first rank to rate of Interest because maximum borrowers believes in nationalize bank due to the competitive rate of interest but bank is not given other ranks because the bank is not following these strategies.

The Urban co-operative bank has preferred first rank to easy and minimum documentation.

5.3.3 Rate of the Interest Of The Bank :

Rate of interest is one of the important factor in case of borrowers housing loan. The banks are providing two types of interest rate i.e. floating and fixed which is shown in table

5.6

Table - 5.6

Rate of the Interest Of The Bank

Rate of Interest	ICICI Bank		Bank of India		KUC Bank	
	Floating	Fixed	Floating	Fixed	Floating	Fixed
Upto 5 Years	9.25%	10.25	8%	9.25-%	13%	9%
5-10			8.50%	10%		
10 & Above			9%			

Table 5.6 shows that the researcher has found that minimum interest charged by the Bank of India and interest rate for up to 5 years 8%, for 5-10 years 8.5% and above 10 years 9% and fixed interest they charged by @ up to 5 years 9.25% and above 5 and 10 & above

years 10% whereas ICICI bank floating rate is 9.25% and fixed rate 10.25% p.a. and the Urban Cooperative bank has charged 13% interest on floating method and 9% fixed rate to their borrowers on any term of loan.

5.3.4 Minimum Income Slab of The Bank :

Minimum income slab is different for various banks as per their rules and regulations for providing home loans to borrowers. The minimum income slab of the bank is shown in table 5.7.

Table - 5.7
Minimum Income Slab

Income Slab	ICICI Bank	Bank of India	KUC Bank
For Salaried	7000 pm	-	-
Self Employed Professional	7000 pm	-	-
Self Employed Non Professional	7000 pm	-	-

Table 5.7 it shows that ICICI Bank has provision of minimum income slab of each borrower i.e. Rs 7000 per month for salaried for self employed professional and for non-professionals, whereas Bank of India and Co-operative don't have any minimum income slab.

5.3.5 Age Limit of the bank:

Maximum age limit at the time of loan maturity is fixed to recover the loan installment in time. The different banks are using different age limit at the time of loan maturity as shown in table 5.8

Table-5.8
Maximum age limit at the time of loan maturity

Income Slab	ICICI Bank	Bank of India	KUC Bank
For Salaried	58	58	55
Self Employed Professional	65	65	60
Self Employed Non Professional	60	65	50

Table 5.8 shows that ICICI bank has provision of 58 years of the age for salaried, for professionals it is 65 years and for businessman it is 60 years. Urban co-operative bank has provision of 55 years age for salaried, for professionals it is 60 years and for non professional it is 50 years. Bank of India has the same policy i.e. for salaried 58 for professionals and non professionals 65 years age limit.

Hence it is clear that the age limit of borrowers is lower in Urban Cooperative Bank as compared to other banks.

5.3.6 Term of Loan of the Bank :

The banks are having different tenure for housing loan to fulfill the loan amount. A term for housing loan is maximum i.e. 10 years or 20 years as compared to any other type of loan.

The term of loan of the bank is divided into three categories such as Salaried, Self Employed Professional and Self Employed Non Professional as shown in table 5.9.

Table-5.9
Term of Loan of the Bank

Loan Period	ICICI Bank	Bank of India	KUC Bank
For Salaried	20	20	15
Self Employed Professional	15	20	10
Self Employed Non Professional	10	20	15

Table 5.9 it shows that ICICI bank has given term for loan period i.e. for salaried 20 years, for professionals 15 years and for non professionals 10 years. Bank of India has loan period of 20 years, urban co-operative banks loan period is 10 years for self employed, and 15 years for salried and selff employed non professionals respectively.

Hence it is clear that a term of loan of copertative bank's is lower than nationalise bank.

5.3.7 Classification of Eligible Properties for Housing Loan:

The banks takes into consideration the type of property for housing loan. The banks get benefit to recover installment through such properties. The property such as N.A.Plot, Bungalow, Flat etc. The classification of eligible properties for housing loan is shown in table 5.10.

Table 5.10
Classification of Eligible Properties for Housing Loan

Type of Property	ICICI Bank	Bank of India	KUC Bank
N.A.Plot	x	✓	✓
Bungalow	✓	✓	✓
Row House	✓	✓	✓
Flat	✓	✓	✓

Table 5.10 shows Bank of India and Urban Co-operative Bank has given loan for all type of property i.e. Non-agricultural plot, Bungalow, Row house and Flat.

Urban Cooperative Bank and Bank of India are financing to any construction plan, but ICICI Bank has not finance to non-agriculture plot.(N.A.Plot)

5.3.8 Type Of Mortgage Preferred By Bank :

The security of the loan is the first and exclusive charge of the property to be financed by way mortgages. The type of mortgage preferred by bank is shown in table 5.11

Table -5.11
Type Of Mortgage Preferred By Bank

Type of Mortgage	ICICI Bank	Bank of India	KUC Bank
Registered Mortgage	x	✓	✓
Equitable Mortgage	✓	✓	x
Any Other	x	x	x

Table 5.11 shows that Bank of India has accepting registered and equitable mortgage whereas ICICI has accepting only equitable mortgage but this bank has not accepting registered mortgage because the this process is complicated and also expensive process, whereas Urban Co-operative bank is accepting only registered mortgage.

Hence it is clear that The Kolhapur Urban Co-operative bank accepts registered mortgage only and ICICI bank has accepts only equitable mortgage but Bank of India accepts both type of mortgages.

SECTION - III BORROWER'S SURVEY

To identify the problems encountered by the borrowers and to make comparative analysis between the banks, the data have been collected from three banks borrowers. The borrowers of banks have been selected as 15 borrowers of ICICI Bank, 15 borrowers from Bank of India and 20 borrowers from The Kolhapur Urban Cooperative Bank. This analysis consider the variables such as Age, Occupation, Income Group, Possession of Property, Media Purpose of loan, Investment Avenues, Factors affecting borrowers, Procedure of Documentation, Quickness of getting loan, Additional Charges, Rate of Interest, Promptness of EMI payment, Monthly Expenditure, Effect on Expenditure, Effect on Expenditure for Child Education, Deduction of Installment through the Payment, and Opinion about Bank Services.

5.4.1 Age Group of the Borrowers :

Age is one of the important factor in case of borrowing housing loan. Banks consider this factor while deciding the application of any housing loan. The sample of borrowers has been divided into four classes as shown in table 5.12.

Table - 5.12
Age Group of the Borrowers

AGE GROU-P	ICICI Bank	Bank of India	KUC Bank	Total
18-25	5 (33.33%)	4 (26.67%)	6 (30.00%)	15 (30.00%)
25-40	7 (46.67%)	5 (33.33%)	9 (45.00%)	21 (42.00%)
40-55	3 (20.00%)	4 (26.67%)	3 (15.00%)	10 (20.00%)
55 & Above	-	2 (13.33%)	2 (10.00%)	4 (8.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.4
Age Group of the Borrowers

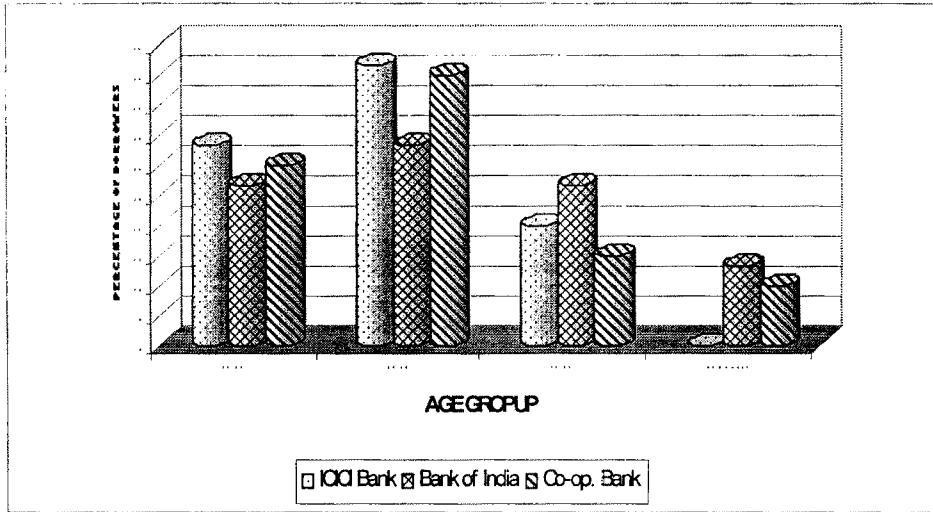


Table 5.12 the researcher has found that majority of the borrowers are from in between 25-40 age group i.e. 42%,30% respondents are from 18-25 age group, 20% respondents are from 40-55age group and 8% respondents are from 55 & above age group.

It is observed that majority of the borrowers i.e. 42% are from age group below 40 years because 25-40 age group are youngsters group. The young people get good salary and they are capable to pay loan from his salary. They need a good home facility after marriage or services in other cities. So age group 25-40 take home loan as compared to other age group.

5.4.2 Occupation of the Borrowers :

After age, the next important factor is occupation of the borrowers in case of housing loan. To survive, everyone has to do some occupation. Expenditure depends upon occupation. The following are the samples of the occupation is divided into four classes as shown in table 5.13.

Table - 5.13
Occupation of the Borrowers

Occupation	ICICI Bank	Bank of India	KUC Bank	Total
Govt. Servant	3 (20.20%)	7 (46.67%)	7 (35.00%)	17 (34%)
Private Employees	2 (13.33%)	3 (20.00%)	3 (15.00%)	8 (16.00%)
Business	5 (33.33%)	4 (26.67%)	6 (33.00%)	15 (30.00%)
Professionals	5 (33.33%)	1 (6.67%)	4 (20.00%)	10 (20.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure 5.5
Occupation of the Borrowers

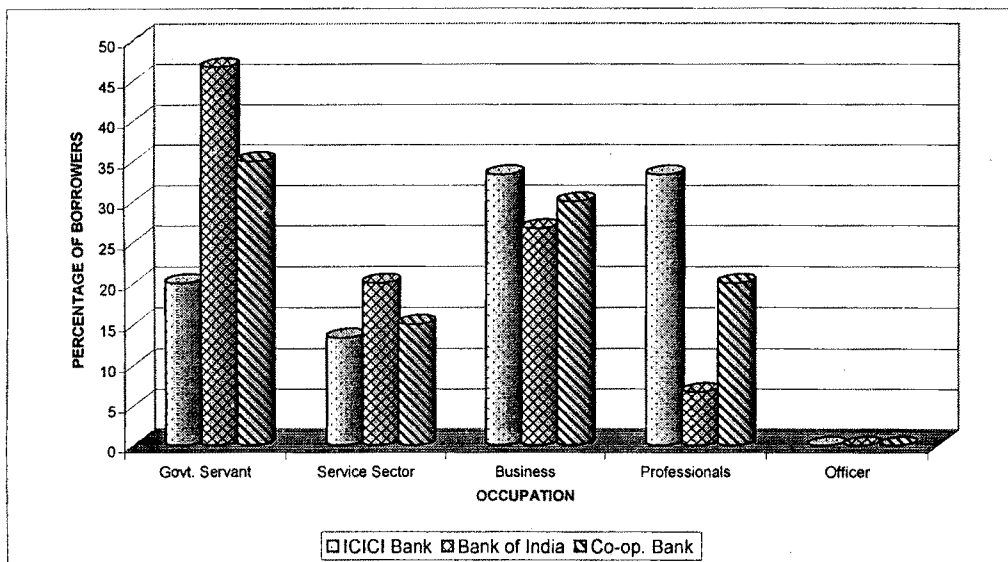


Table 5.13 indicates that majority of the borrowers are from Government servant i.e. 34%, 30% each borrowers are from Business sector, 20% borrowers are from Professionals and only 16% borrowers are from private employees.

It is observed that majority of the borrowers 34% are from Government servant because government servant get good salary and they have permanent job, so they feel very secure in life so they take a loan for various facilities comparatively to private sector and business sector.

5.4.3 Classification of Borrowers according to the Income Group :

In any case of loan, income is important because when the income source is proper then the borrowers is able to pay the installment of loan in time. The sample of borrowers has been divided into four classes as shown in table 5.14.

Table - 5.14
Classification of Borrowers according to the Income Group

Income Group	ICICI Bank	Bank Of India	KUC Bank	Total
Upto Rs.75000	-	-	-	-
Rs.75000-100000	5 (33.33%)	4 (26.67%)	8 (40.00%)	17 (34.00%)
Rs.100000-150000	6 (40.00%)	5 (33.33%)	7 (35.00%)	18 (36%)
Rs.150000 & Above	4 (26.67%)	6 (40.00%)	5 (25.00%)	15 (30%)
TOTAL	15 (100.00%)	15 (100.00%)	20 (100.00%)	50 (100.00%)

Figure - 5.6
Classification of Borrowers according to the Income Group

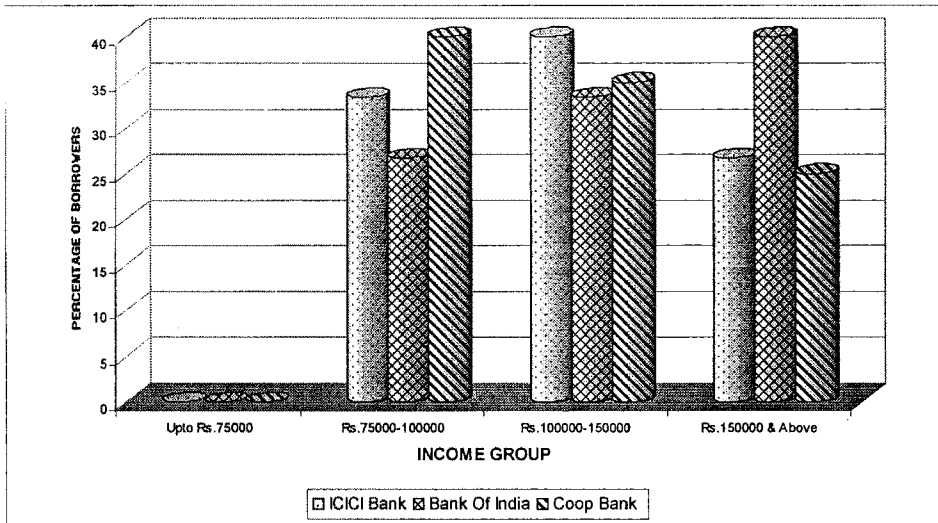


Table 5.14 shows that majority of borrower 's income between 100000-150000/- 36%, 34% borrowers from Rs 75000-100000 income group, 30% borrowers are from Rs. 150000 and above income group.

Hence it is found out that majority of the borrowers income is below 100000-150000/- it means this borrowers are from middle class.

5.4.4 Classification according to Possession of Property :

Possession means ownership of any type of property. To take possession of any property some people require housing loan. The classification of property such as Bungalows, Row house, Flat, N.A.Plot as shown in table 5.15.

Table - 5.15
Classification according to Possession of Property

Possession Of property	ICICI Bank	Bank of India	KUC Bank	Total
Bungalows	3 (20%)	3 (20%)	8 (40%)	14 (28%)
Row house	4 (26.67%)	2 (13.33%)	2 (10%)	8 (16%)
Flat	8 (53.33%)	6 (40%)	8 (40%)	22 (44%)
N. A. Plot	-	4 (26.67%)	2 (10%)	6 (12%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.7
Classification according to Possession of Property

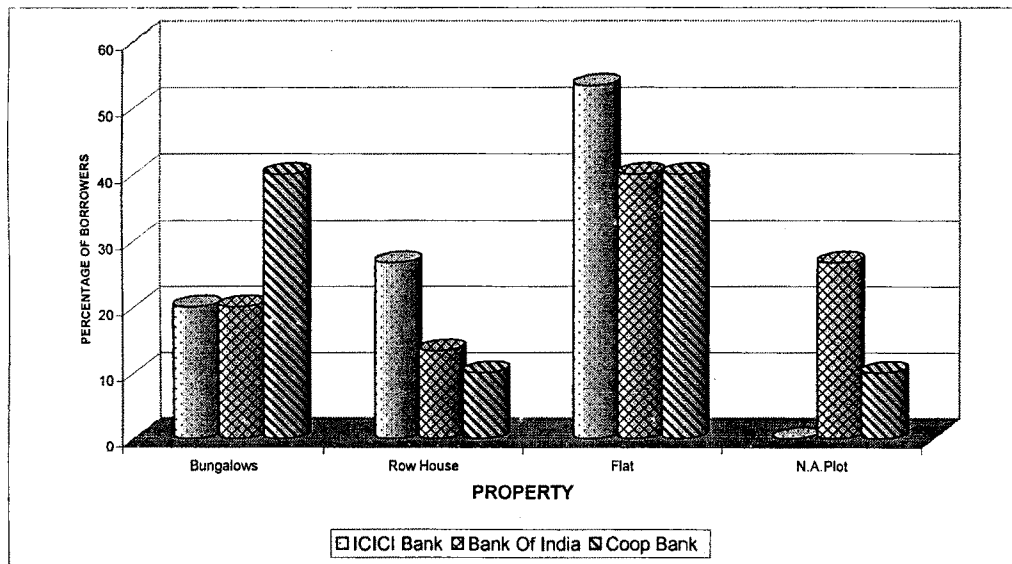


Table 5.15 shows that majority of the borrowers possessed the flat i.e. 44% and 28% has possessed the bungalows and 16% borrowers has possessed the row house and 12% N. A. plot.

Normally middle class people possessed the flat with their salary. Those people who gets good salary and permanent government job only has possessed the row-house and bungalows Hence it is observed that majority of the borrowers 44% has possessed the flat .

5.4.5 Classification of Borrowers according to Media :

Media is an important way in supplying any type of information to the people. Media is the fastest way to reach to the people to get quick knowledge about anything. Media means newspaper, television, trade fair, relatives and friend magazines sales team. The sample of borrowers according to media are shown in table 5.16.

Table - 5.16
Classification of Borrowers according to Media

Media	ICICI Bank	Bank Of India	KUC Bank	Total
Television	2 (13.33%)	-	-	2 (4.00%)
Trade Fair	3 (20.00%)	4 (26.67%)	-	7 (14.00%)
Newspaper	-	-	-	-
Relatives & Friends	4 (26.67%)	9 (60.00%)	20 (100.00%)	33 (66.00%)
Magazine	-	2 (13.33%)	-	2 (4.00%)
Sales Team	6 (40.00%)	-	-	6 (12.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure- 5.8
Classification of Borrowers according to Media

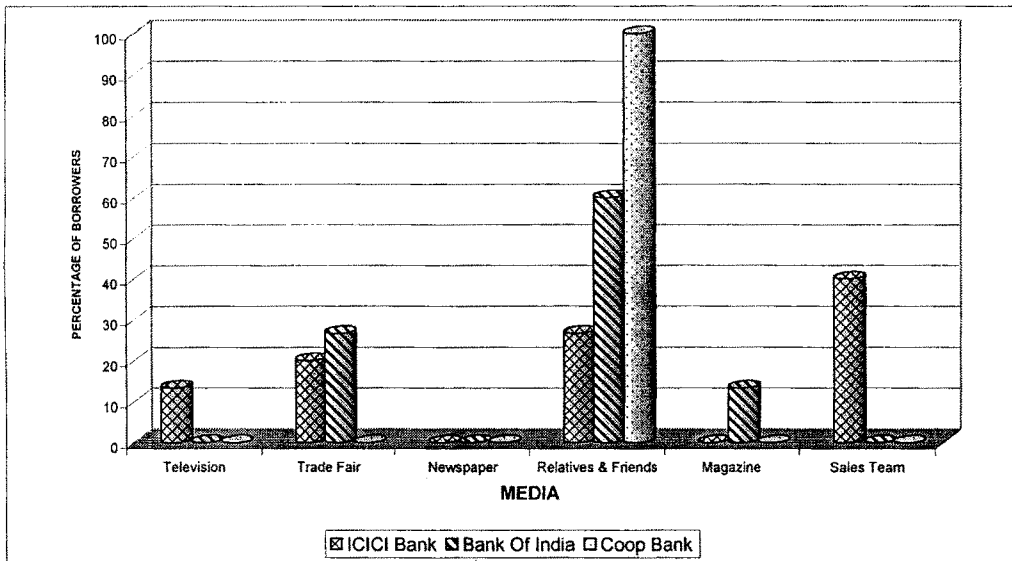


Table 5.16 shows that majority of the borrowers opined that they got the information of the bank from relatives and friends. i.e. 66% and 14% borrowers were known from trade fair and 12% borrowers were known from sales team and each 4% borrowers were known from television advertisement and magazine of the Bank respectively.

Hence it is found out that the majority of the borrowers i.e. 66% got the information from relatives and friends.

Bank employees told their relatives and friends for their loan facilities and told the advantages about facilities so their relatives and friends are interested to take a loan from bank. Hence it is found out that majority of the borrowers 60% got the information from relatives and friends.

5.4.6 Distribution of Borrowers according to their Purpose of Loan :

Bank consider the purpose of loan i.e. self, rental etc while giving housing loan to the borrowers. Purpose of loan consider with persons occupation and possession of property. The sample of borrowers according to their purpose of loan is shown in table 5.17.

Table - 5.17

Distribution of Borrowers according to their Purpose of Loan

Purpose	ICICI Bank	Bank of India	KUC Bank	Total
Self	12 (80%)	11 (73.33%)	17 (85%)	40 (80%)
Rental	2 (13.33%)	4 (26.67%)	2 (10%)	8 (16%)
Any other	1 (6.67%)	-	1 (5%)	2 (4%)
Total	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.9

Distribution of Borrowers according to their Purpose of Loan

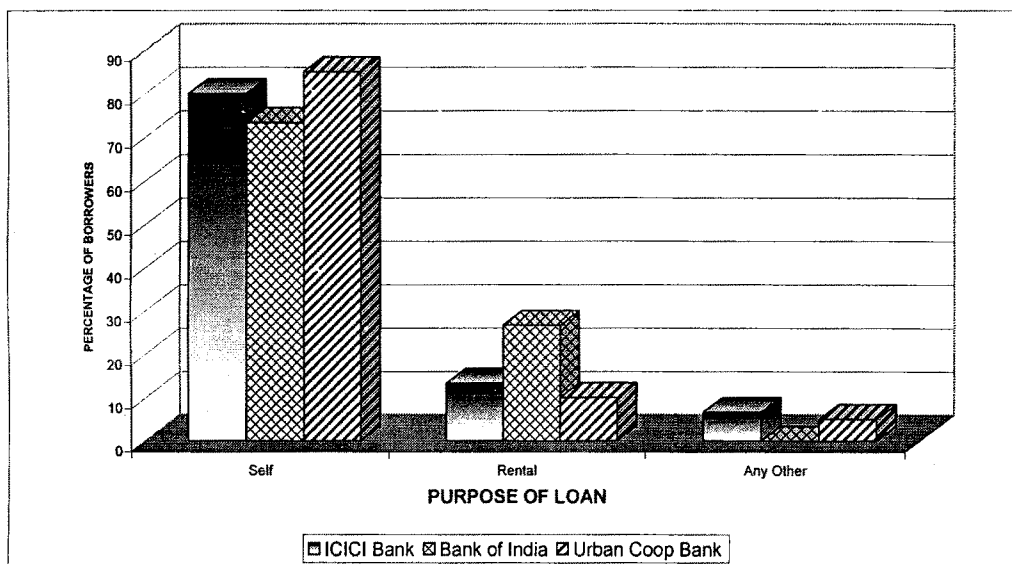


Table 5.17 illustrates that majority of the borrowers have availed the loan for self accommodation i.e. 80% and 16% borrowers have purchased the property to rent out and only 4% of the borrowers have availed loan from their own business purpose.

Every person has a first need of shelter so every one take a loan firstly for self accommodation so the percentage of self loan is higher than rental loan. Hence it is observed that

majority of the borrowers 80% were availing the home loan for the purpose of own accommodation.

5.4.7 Investment Avenues of Borrowers :

The bank consider security for their loan in giving housing loan. Security means investment avenues such as depositing money in post office, bank, Bhishi etc. The sample of borrowers investment avenues is shown in table 5.18.

Table 5.18
Investment Avenues of Borrowers

Investment	ICICI Bank	Bank of India	KUC Bank	Total
Post office	3 (20%)	4 (26.67%)	6 (30%)	13 (26%)
Bank Deposit	10 (66.67%)	9 (60%)	5 (25%)	24 (48%)
Bhishi	2 (13.33%)	2 (13.33%)	9 (45%)	13 (26%)
Total	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure 5.10
Investment Avenues of Borrowers

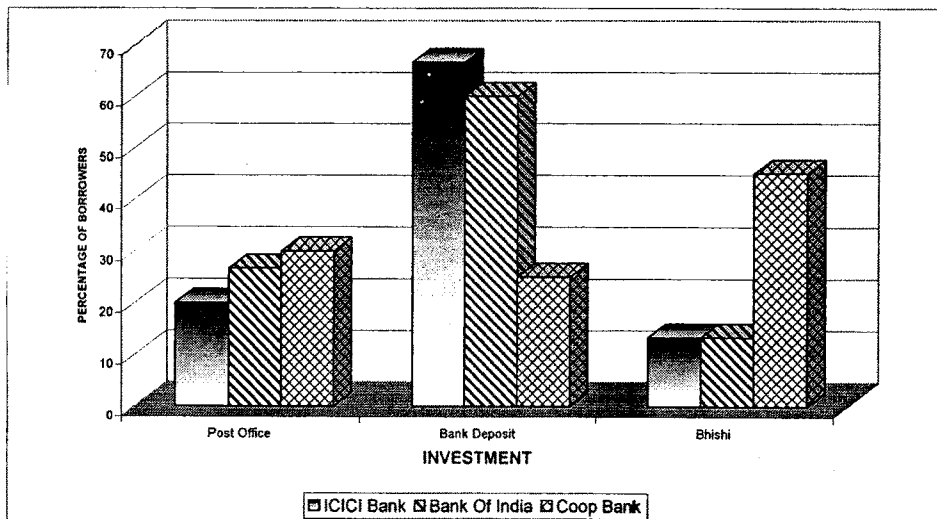


Table 5.18 shows that 48% of the borrowers are invest in the bank deposit and 26% of the borrowers have invested in post office and Bhishi.

Every one needs a security for their money purpose so they have invested their saving a bank. Hence it is observed that majority of the borrowers 48% have invested their saving in bank deposit for their future prospects.

5.4.8 Borrowers view about taking Loan :

Bank consider about the habit of taking loan of the borrowers while giving housing loan. If the borrowers are paying the other loan installments regularly and fulfill the conditions and rules of the bank then the bank decides about their repayment capacity. The sample of borrowers view of taking loan is shown in table 5.19.

Table - 5.19
Borrowers view about taking Loan

Loan	ICICI bank	Bank of India	KUC Bank	Total
Yes	5 (33.33%)	3 (20%)	9 (45%)	17 (34%)
No	10 (66.67%)	12 (80%)	11 (55%)	33 (66%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.11
Borrowers view about taking Loan

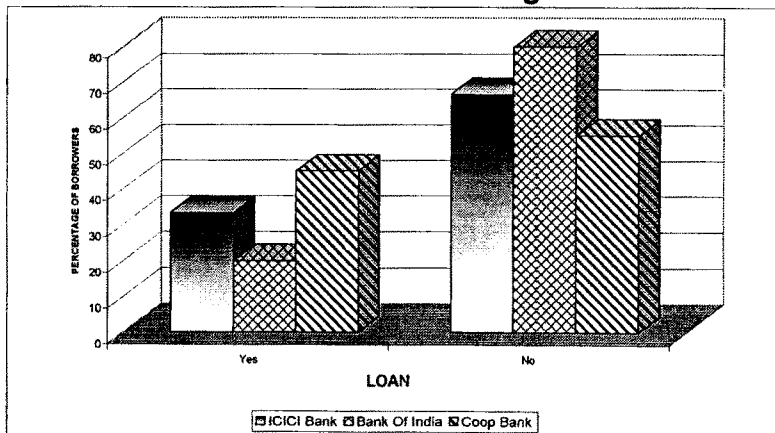


Table 5.19 shows that 66% of the borrowers are opined that they were not taken home loan before this because private sector employees are not secure because private sector jobs are not permanent so they cannot take risk of taking heavy loan. but 34% of the borrowers are opined that they have taken home loan.

Hence the researcher have concluded that majority of the borrowers have taken loan for first time.

5.4.9 Factors affecting on Bank Borrowers :

Bank services plays a vital role in banking transactions. The borrowers give more importance to the low interest rate, good service, easy documentation and less processing fee as compared to other banks. The factors affecting on bank borrowers is divided into four classes as shown in table 5.20.

Table - 5.20
Factors affecting on Bank Borrowers

Factors	ICICI Bank	Bank of India	KUC Bank	Total
Rate	2 (13.33%)	7 (46.67%)	9 (45.00%)	18 (36.00%)
Service	6 (40.00%)	5 (33.33%)	7 (35.00%)	18 (36.00%)
Easy Documentation	7 (46.67%)	-	1 (5.00%)	8 (16.00%)
Processing Fee	-	3 (20.00%)	3 (15.00%)	6 (12.00%)
Any Other	-	-	-	-
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.12
Factors affecting on Bank Borrowers

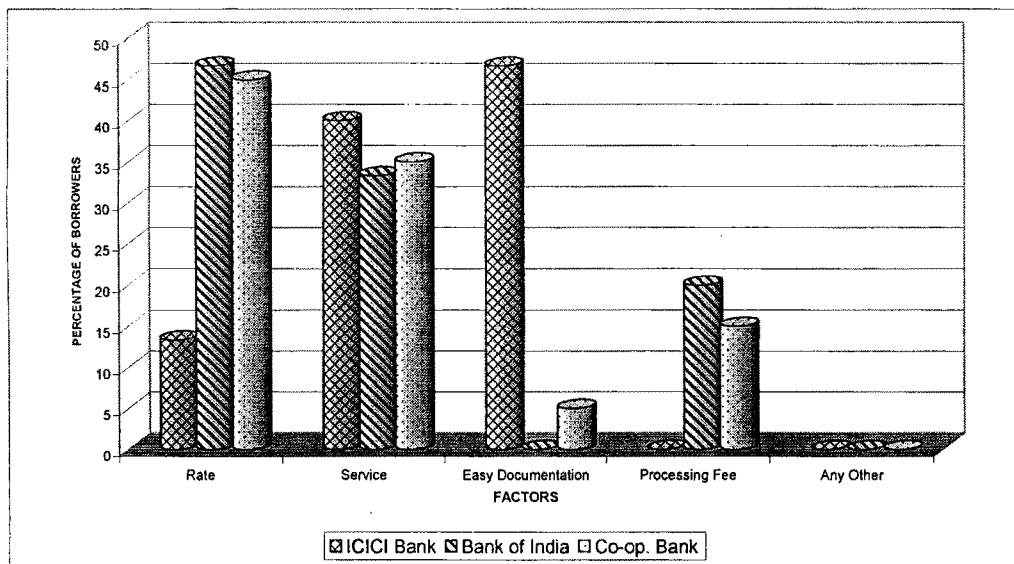


Table 5.20 shows that each 36% borrowers have opined that they are affecting from the rate of interest of the bank and quick service of the bank respectively. 16% of the borrowers are opined due to the easy documentation of the bank, and 16% borrowers are affected due to the less processing fee.

Repayment of loan and rate of interest are those major factors which affect the loan facility. Thereafter easy documentation and less processing fee are important. Hence it is observed that majority of the borrowers 36% have affected from rate of interest of the bank.

5.4.10 Borrowers opinion regarding Procedure of Documentation :

It is more convenient to the people if the documents of housing loan (application form) is easy to understand, without any complication, and also if there are less documents used in the process of taking housing loan. The sample of borrowers regarding documentation procedure is divided into two classes as shown in table 5.21.

Table 5.21
Borrowers opinion regarding Procedure of Documentation

Documentation Procedure	ICICI Bank	Bank of India	KUC Bank	Total
Easy Documentation	13 (86.63%)	5 (33.33%)	14 (70%)	32 (64%)
Complicated Documentation	2 (13.33%)	10 (66.67%)	6 (30%)	18 (36%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure 5.13
Procedure of Documentation

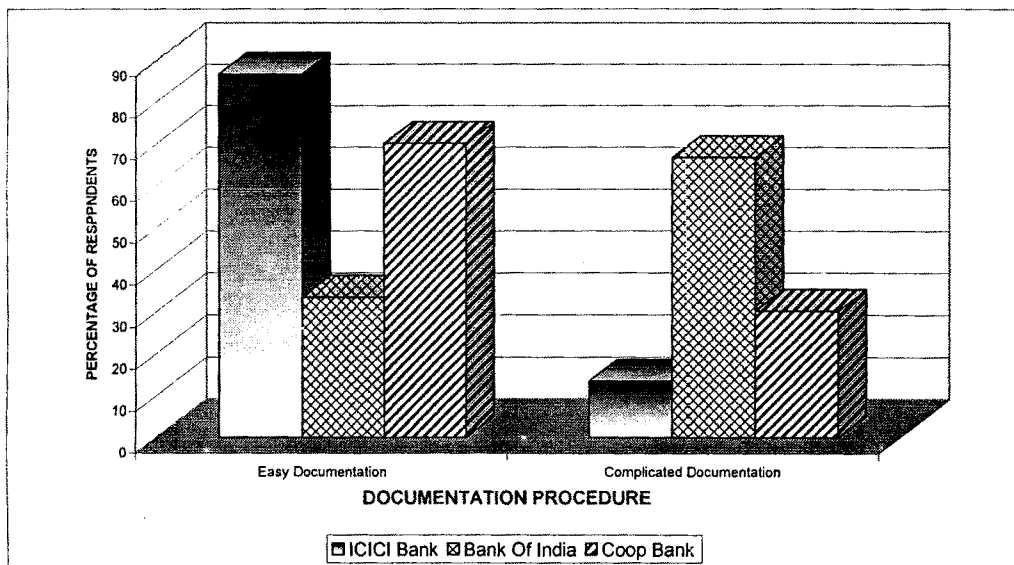


Table 5.21 shows the researcher has found that majority of the borrowers opined that documentation procedure is easy i.e. 64% because of easy documentation borrowers are interested to take a loan facility. Many of documents, delay of payment, lengthy procedure are avoided due to easy documentation and 36% of the borrowers opined that it is complicated. Hence it is observed that majority of the borrowers 64% opined that documentation procedure is easy.

5.4.11 Borrowers opinion regarding Quickness of getting Loan :

The borrowers consider about easy documentation, low interest rate, good service of the bank, efficiency of staff members for getting quick loan. The sample of borrowers opinion for getting quick loan is shown in table 5.22.

Table 5.22
Borrowers opinion regarding Quickness of getting Loan

Quick Loan	ICICI bank	Bank of India	KUC Bank	Total
Yes	12 (80%)	4 (26.67%)	14 (70%)	30 (60%)
No	3 (20%)	11 (73.33%)	6 (30%)	20 (40%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.14
Quickness of getting Loan

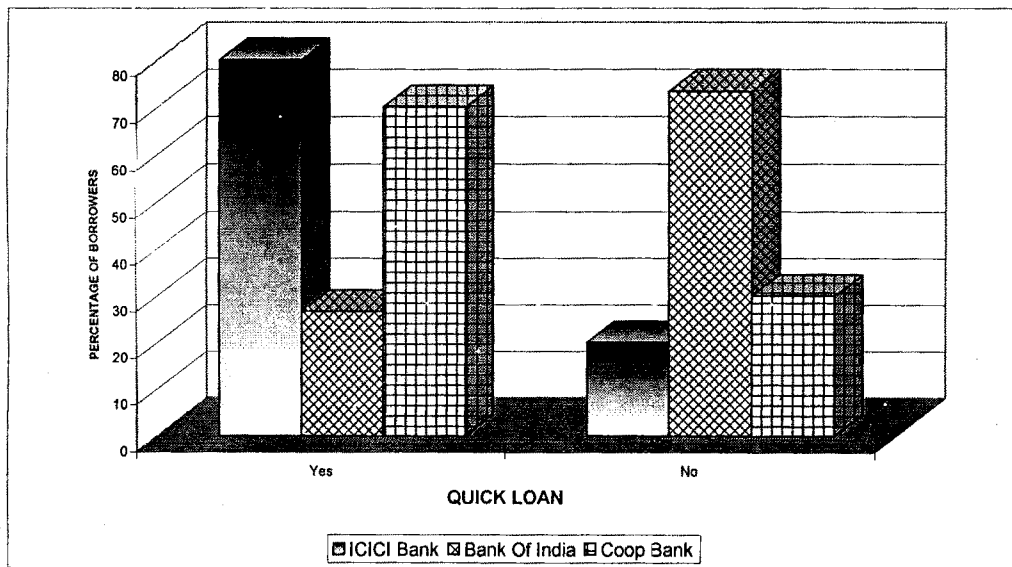


Table 5.22 shows that the majority of borrowers opined that they got quick loan i.e. 60% because of easy documentation and services attracts the borrowers to take the loan from the bank and remaining 40% had not got quick loan.

Hence it is observed that majority of the borrowers 60% opined that they got quick loan.

5.4.12 Borrowers opinion regarding Additional Charges of the Bank :

The borrowers consider additional charges of the bank while taking housing loan. The additional charges such as bounced cheque, payment not received till due date, for not paying regular installment of the bank etc. The sample of borrowers opinion of the about additional charges of the bank is shown in table 5.23.

Table .5.23
Borrowers opinion regarding Additional Charges of the Bank

Additional Charges	ICICI Bank	Bank of India	KUC Bank	Total
Yes	10 (66.67%)	3 (20%)	4 (20%)	17 (34%)
No	5 (33.13%)	12 (80%)	16 (80%)	33 (66%)
Total	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.15
Additional Charges of the Bank

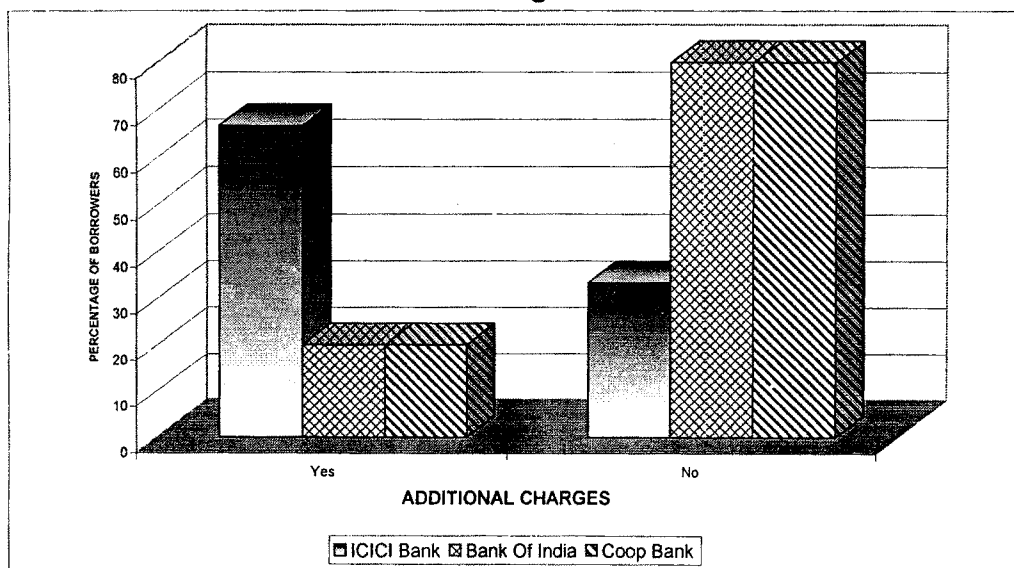


Table 5.23 shows that the researcher has found that majority of the borrowers had not paid additional charges i.e. 66% and 34% respondents had paid additional charges

of the bank because private sector takes additional charges for loan as compared to cooperative bank. So people can afford to take loan from cooperative bank.

Hence it is observed that majority of the borrowers 60% have not paid additional charges of the bank.

5.4.13 Borrowers opinion about Rate of Interest :

Rate of interest is one of the important factor in case of borrowing housing loan. The borrowers may attract if the rate of interest is low or average. It is suitable for the bank as well as for the borrowers if the rate of interest is convenient. The sample of borrowers opinion about rate of interest is shown in table 5.24.

Table 5.24
Borrowers opinion about Rate of Interest

Interest	ICICI Bank	Bank of India	KUC Bank	Total
High	11 (73.33%)	-	12 (60.00%)	23 (46.00%)
Low	-	9 (60.00%)	2 (10.00%)	11 (22.00%)
Average	4 (26.67%)	6 (40.00%)	6 (30.00%)	16 (32.00%)
TOTAL	15 (100.00%)	15 (100.00%)	20 (100.00%)	50 (100%)

Figure 5.16
Rate of Interest

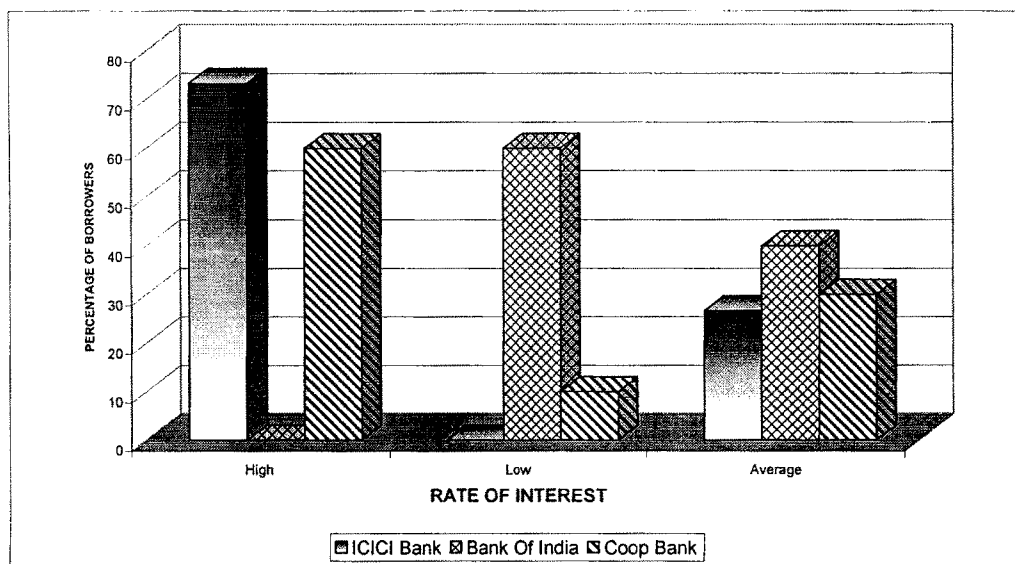


Table 5.24 indicates that 46% borrowers were opined high, 32% borrowers were opined their interest rate is as an average and only 22% of the borrowers are opined that the rate of interest is low.

Majority of the borrowers were opined that bank rate of interest is high it means they are borrowing loan from private and cooperative bank but other borrowers are opined average or low it means these borrowers have taken loan from nationalized bank.

5.4.14 Promptness of EMI Payment :

EMI means Equated Monthly Installment. It is a fixed amount which borrowers pay every month towards the loan. Promptness payment of EMI helps to the borrowers to pay the installment and recover the overdues. The sample of promptness payment of EMI is shown in table 5.25.

Table 5.25
Promptness of EMI Payment

EMI	ICICI Bank	Bank of India	KUC Bank	Total
Yes	14 (93.33%)	12 (80.00%)	16 (80.00%)	42 (84.00%)
No	1 (6.67%)	3 (20.00%)	4 (20.00%)	8 (16.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.17
Promptness of EMI Payment

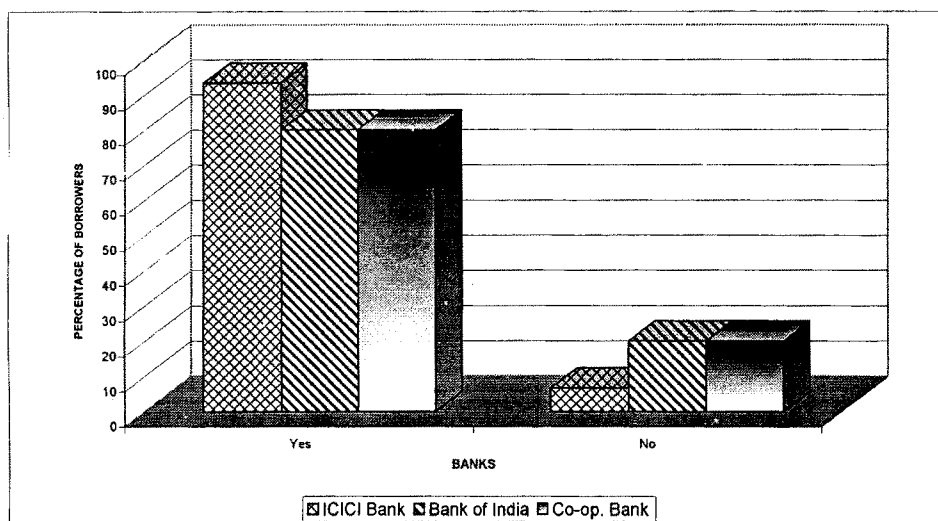


Table 5.25 shows that 84% of the borrowers are opined that they paid EMI regularly to clear monthly installment of loan because overdue may cause fine for irregular payment of loan. but 16% of the borrowers opined negative because these borrowers have problem to manage EMI in time.

Hence it is found out that majority of the borrowers 84% have paid EMI regularly.

5.4.15 Monthly Expenditure of Borrowers :

Monthly expenditure depends upon income source. If the income source is high, the borrowers can pay large amount of installment easily and they can fulfill the loan amount in less period without any obstacles. The sample of monthly expenditure of borrowers is shown in table 5.26.

Table - 5.26
Monthly Expenditure of Borrowers

Expenditure	ICICI Bank	Bank of India	KUC Bank	Total
Rs 7000-9000	4 (26.67%)	6 (40%)	7 (35%)	17 (34%)
Rs 9000-12000	5 (33.33%)	4 (26.67%)	10 (50%)	19 (38%)
Rs 12000 & above	6 (40%)	5 (33.33%)	3 (15%)	14 (28%)
Total	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure- 5.18
Monthly Expenditure of Borrowers

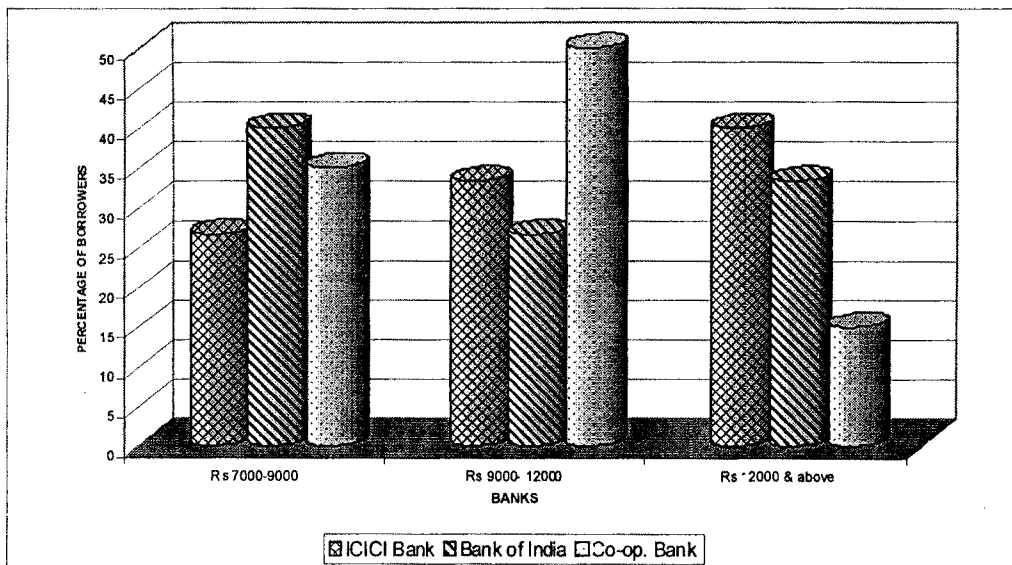


Table 5.26 shows that majority of the borrowers have monthly expenditure below Rs.12000/-

as, 34% have in the range of Rs 7000 to Rs 9000/- and 38% have in the range of Rs 9000 to Rs 12000/-.

Amount of Loan and duration of installment depends upon financial condition and monthly expenditure of every borrower. So it is observed that expenditure of borrowers is different according to their income.

5.4.16 Effect On Expenditure :

The expenditure of borrowers affects his living style. If the rate of interest is high and monthly income is low then it affects the borrowers monthly expenditure. The sample of effect on expenditure of borrowers is shown in table 5.27.

Table - 5.27
Effect On Expenditure

Effect On Expenditure	ICICI Bank	Bank of India	KUC Bank	Total
Yes	9 (60.00%)	8 (53.33%)	14 (70%)	31 (62.00%)
No	6 (40.00%)	7 (46.67%)	6 (30%)	19 (38.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.19
Effect On Expenditure

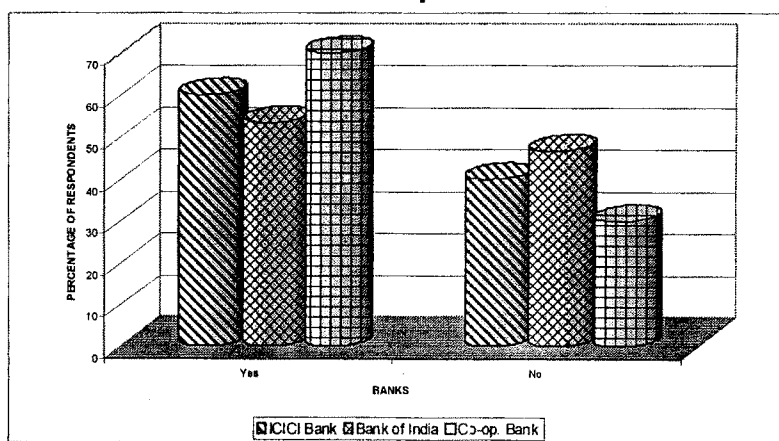


Table 5.27 shows that 62% of the borrowers are opined that they are facing the problem of monthly expenses due to the deduction of installment of loan but 38% of the borrowers are opined negative because they are doing proper planned for the repayment of loan.

The Urban Co-operative Banks borrowers are affected for their monthly expenditure whereas Bank of India are less effective because they are doing proper plan for the repayment of loan.

5.4.17 Effect On Expenditure For Child Education :

Nowdays child education is given more importance. The borrowers maximum part of income is spend on education of the child. If the borrowers income is less and the expenditure is more then it is difficult to pay monthly installment regularly. The sample of effect on expenditure for child education is shown in table 5.28.

Table - 5.28

Effect On Expenditure For Child Education

Child Education	ICICI Bank	Bank of India	KUC Bank	Total
Yes	5 (33.33%)	6 (40.00%)	7 (35.00%)	18 (36.00%)
No	10 (66.67%)	9 (60.00%)	13 (65.00%)	32 (64.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.20
Effect On Expenditure For Child Education

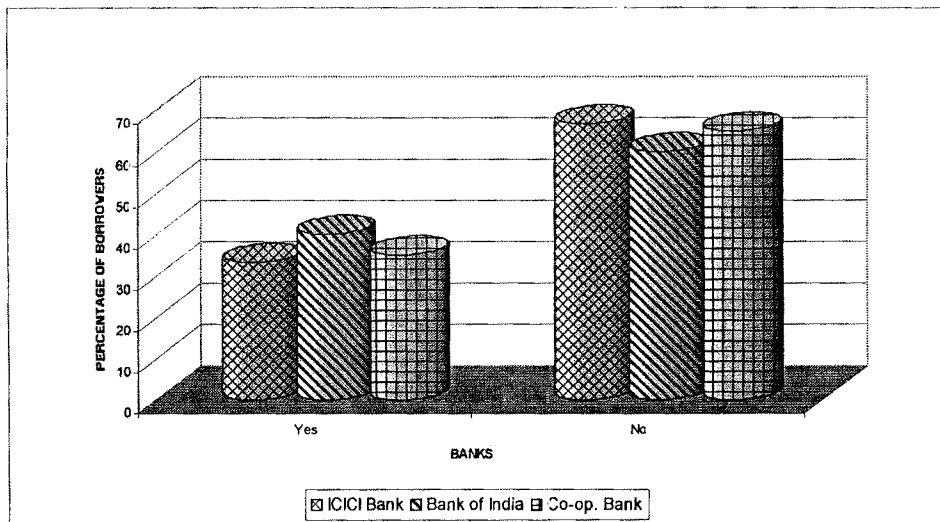


Table 5.28 indicates that 64% of the borrowers are opined negative because borrowers cannot make investment due to less income and more expenditure whereas 36% of the borrowers are opined positive that they invest their money for child education .because child education has been given more priority.

Hence the researcher has concluded that majority of the borrowers 64% have enable to invest their money for child education.

5.4.18 Deduction of Installment through the Payment :

Deduction of installment through the payment is more convenient to the borrowers as well as bank because it saves time, energy. There is less risk to the bank because the amount of installments is recovered directly from the borrowers salary.

Table - 5.29
Deduction of Installment through the Payment

Deduction of Installment	ICICI Bank	Bank of India	KUC Bank	Total
Yes	6 (40.00%)	9 (60.00%)	7 (35.00)	22 (44.00%)
No	9 (60.00%)	6 (40.00%)	13 (65.00%)	28 (56.00%)
TOTAL	15 (100%)	15 (100%)	20 (100%)	50 (100%)

Figure - 5.21
Deduction of Installment through the Payment

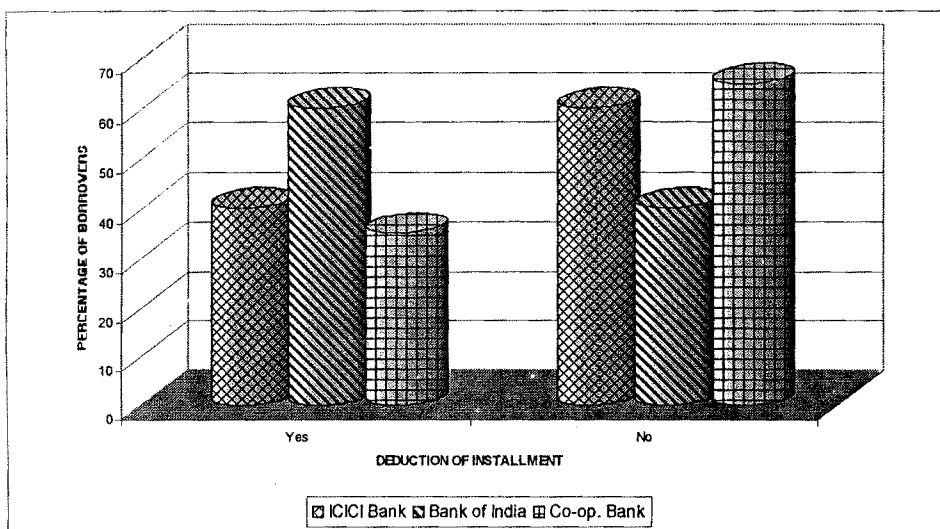


Table 5.29 shows that majority of the borrowers have opined that they have not paying their own installment of loan i.e.56 % whereas 44% of the borrowers agree who have higher income to deduct the installment from the salary account for the repayment of loan.so it is convenient for both borrowers and bank.

Hence it is observed that facility of deduction of installment through the payment depends upon borrowers income group.

4.19 Borrower's opinion about Bank Services :

For the progress of bank, borrowers opinion about bank services must be good. It helps to increase the turnover of the bank. Easy documentation, average interest rate, efficiency of staff members, transactions in simple and easy to understand. The sample of borrowers opinion about bank services is shown in table 5.30.

Table 5.30
Borrower's opinion about Bank Services

Opinion	ICICI Bank	Bank of India	KUC Bank	Total
Satisfied	9 (60.00%)	13 (86.67%)	15 (75.00%)	37 (74.00%)
Dissatisfied	6 (40.00%)	2 (13.33%)	5 (25.00%)	13 (26.00%)
TOTAL	15 (100.00%)	15 (100.00%)	20 (100.00%)	50 (100.00%)

Figure - 5.22
Bank Services

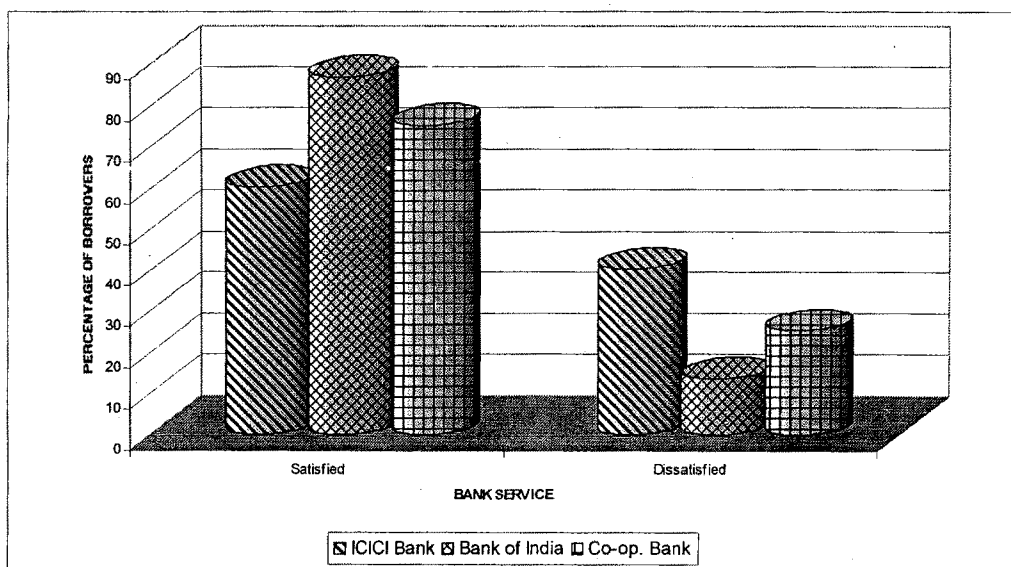


Table 5.30 indicates the researcher has found that majority of the borrowers were satisfied with bank service i.e. 74% because of easy documentation and average interest rate of the bank but 26% borrowers were dissatisfied with their bank performance.

From the above analysis the researcher has found out that majority of the borrowers were satisfied with the service of the bank.

5.5 Testing of Hypotheses :

The researcher has tested working hypotheses based on inferences drawn on primary data.

Hypotheses	Accepted/Rejected	Supporting Tables
The EMI of Home Loan has positive impact on financial management of borrowers household.	Accepted	Table No.5.26
The EMI method of repayment is more costly than the other methods.	Accepted	Table No.4.1 & 4.2
Home loan policy of Urban cooperative bank is customer oriented in respect of rate of interest, procedure, collection machinery etc.	Accepted	Table No. 5.21 & 5.24