PREFACE

Housing is one of the basic human requirements among three basic necessities those are Food, clothing and shelter. The home is a place of refuge and comfort, a haven that protects an individual from the anxieties of life. Housing has always been agenda for the Government of India over the years, because it is a visible output where the development can be seen and a vital sector of the national economy creating jobs and generating taxes and wages that positively influence the standard of the living. Housing finance being one of the safest lending avenues has attracted the number of players in the market. The emergence of lenders for housing finance in India such as HFCs, Commercial Banks, Cooperative sector etc has widen the scope of housing finance industry in India. HDFC Ltd. as a pioneer in the field of housing finance in India, is still playing a dynamic role in the housing finance industry where there are numerous competitors and cut throat competition prevails.

Despite increase in volume of housing finance by many home loan lenders in India, tax break given by Government of India to developers, allowing Foreign Direct Investment in real sector through joint ventures with Indian partners, with the beginning of Eleventh Five Year Plan in 2007 we still have the shortage of 24.71
million dwelling units. This sector has a potential to bring the stage of prosperity for the economy if fully explored.

**Objective of Research:**

In India the growth of Financial Institutions providing the financial assistance to real estate sector explicit that the housing shortage is for the Lower Income Group and Economically Weaker section of the society only, the need for housing units for High Income Group and Middle Income Group are being taken care by the market forces. In most of the cases housing finance plans of almost all housing finance lenders are serving the HIG and MIG. As a part of its social obligations, the government under various schemes has been trying to fulfill the housing needs of LIG and EWS. But the only measures which are taken by the government are not capable to increase the rate of development and to pull off the target of 24.71 million dwelling units in the period of five years.

The purpose of the study is first to highlight the significance of housing industry, the role of various lenders in providing housing loans. The role of HDFC Ltd. in offering home loans to the masses belongs to different sections of society, as it is a pioneer in the field of housing finance in India. To suggest the measures to encourage
the public private participation with an aim to provide the housing facilities to Low Income Groups and Economic Weaker Section in India.

**Research Methodology:**

The data required to achieve the objectives of the research has been collected from primary as well as secondary sources. For the purpose of arranging, studying and analyzing data concerned with the topic of research, the following sources and tools have been used:

4. Annual Reports of the Banks and Housing Finance Companies.
5. Published and Unpublished data including books and articles.
6. Interviewing the staff members of a few financial institutions and their home loan customers.
7. On line information through various websites.
The content of the thesis have been presented in two parts. The first part is comprehensive as it contains six chapters and the second part contains the appendices.

The first chapter of the thesis throws light on the importance of house in the life of an individual and in the economic development of the country. The role of housing as a wealth creator, a status symbol, as a means of psychological satisfaction, as a financial security has been highlighted. The brief description about the surging phase of the housing industry in India has been given which exhibits the extent of emphasis of the government on the development of housing industry in the Five Year Plans. The initiatives taken by the government for the upliftment of the housing sector during the plan period including First to Eleventh Five Year Plan have been discussed in this chapter. It also contains the glimpse of the status of housing industry in other Asian countries. This chapter has been showing the natural, social, economical, financial and psychological importance of housing.

The second chapter is about the housing finance. Firstly it contains the meaning of housing finance and its types. It also explains the eligibility criteria for applying for the housing finance in India, the typical credit documents that need to be submitted to
the HFI and different kinds of charges applicable to Housing Loan Products. It also explains the various sources of housing finance in India and their role in the development of housing sector in the country.

The Third chapter is showing the picture of the operational and financial performance of the HDFC Ltd. The inception, objective, organizational structure, management of HDFC Ltd has been discussed in detail.

The Fourth chapter is about the different kinds of housing finance plans offered by HDFC Ltd. The different features of all the housing loan plans have been explained in this chapter.

The Fifth chapter is based on the comparative study of the housing finance plans offered by HDFC Ltd., PNB Housing Finance Ltd and LIC Housing Finance Ltd. The comment on the suitability of these plans for the masses belong to different income groups has been given.

The Sixth chapter has thrown a light on the current housing requirement, the policy measures taken by the government for Eleventh Five Year Plan and the shortcoming of the present housing development programmes. The suggestions are given to fill the gap between the demand and supply of dwelling units. And the draft of
the Project – “Housing for All” with a motive to provide houses exclusively to Low income groups and Economically weaker section, has been suggested by conducting its feasibility study.

Lastly, the list of abbreviations is given, it consists some abbreviations which have been used many times in the thesis. In the summarized form the Appendix-I is screening the guidelines for Housing Finance Companies laid by National Housing bank has been given. Appendix-II reveals the revised Guidelines on “Know Your Customer” norms and Anti Money Laundering Measures for the HFCs.