CHAPTER – VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

In this chapter an attempt has been made to recapitulate the major findings of research work carried out by the candidate on customer perception towards housing finance services of public sector banks in the respective study area. Here based on the major findings of the research process, the researcher has offered some valuable suggestions in order to enrich the satisfaction of housing finance services in the Dharmapuri district.

7.1 FINDINGS

PERCENTAGE ANALYSIS

1. Majority (65.7%) of the respondents are male.
2. Most (42.5%) of the respondents belong to the age group of less than 35 years.
3. Majority (90.8%) of the respondents are married.
4. Most (40.2%) of the respondents are having 4-5 members in their family.
5. Around one-third of the respondents are having school level education.
6. One-fourth of the respondents are private sector employee.
7. Most (37.3%) of the respondents are having less than 10 years of experience.
8. Majority (59.4%) of the respondents’ spouse are employed.
9. Most (25.6%) of the respondents spouse are employed in private sector.
10. Most (32.4%) of the respondents are earning Rs. 10,001-20,000 per month.
11. Majority (66.3 %) of the respondents belong to nuclear family.
12. Most (37.8 %) of the respondents are residing in urban area.
13. One-fourth of the respondents are getting information about housing loan through T.V / Radio.
14. One-fourth (27.5%) of the respondents are getting brochure from their friends and relatives.

15. Most (46.7%) of the respondents opined as friendly and comfortable after obtaining the details of loan.

16. Majority (70.8%) of the respondents opined that the brochure giving information on housing loans.

17. Majority (57.1%) of the respondents aware about the interest rate on housing loan as fixed.

18. Majority (73.6%) of the respondents aware about the calculation of interest rate for housing loan.

19. Majority (74.0%) of the respondents having awareness about the innovative home loan products offered by various lending agencies.

20. Majority (72.5%) of the respondents are aware to pay pre closure charges and penalty for default/ delay in repayment.

21. Majority (67.2%) of the respondents are aware about the housing loan be closed and transferred to another agency.

22. Majority (67.9%) of the respondents are aware about the interest rate charged by other agencies.

23. Majority (70.9%) of the respondents are aware about the IT enabled services offered by lending agencies.

24. Most (45.6%) of the respondents are neutrally agreed towards ‘the location of the bank is convenient to the home loan borrowers and the operating hours of the housing loan section in the bank are convenient to the customers’.

25. Most (45.7%) of the respondents are neutrally agreed towards ‘bank’s advertising and promotional policies for housing loan could be elided upon’.

26. Most (30.9%) of the respondents opined that the estimation cost as below Rs.10 lakhs for the construction of house.
27. Around one-third (30.8%) of the respondents opined that the actual cost for the construction of house as below Rs.10 lakhs.

28. Most (32.5%) of the respondents opined that the variation in cost of construction of house due to alteration of plan.

29. Most (47.5%) of the respondents opined that the estimation time for completing the construction of house from 9 to 12 months.

30. Around half (49.4%) of the respondents opined that the actual time taken for completion the construction of house from 9 to 12 months.

31. Around one-fourth (24.4%) of the respondents opined that delay in construction due to shortage of funds.

32. Around one-third (29.3%) of the respondents are getting home loan for the construction of new house.

33. One-third (29.6%) of the respondents are getting loan from SBI home finance limited.

34. Most (35.9%) of the respondents are expected above 15 lakhs amount of loan.

35. Most (45.3%) of the respondents opined that sanctioned amount as less than Rs.10 lakhs.

36. Most (33.5%) of the respondents are getting home loan at fixed rate of 7%.

37. Most (48.5%) of the respondents are getting home loan at less than 9%.

38. Most (46.3%) of the respondents are getting home loan by providing land as security.

39. Majority (87.1%) of the respondents opined that the amount of security given for loan as above Rs.15 lakh.

40. Most (39.9%) of the respondents opined that the time taken for sanction of loan from 15-30 days.

41. Most (32.8%) of the respondents paid less than Rs.2,000 as quantum of processing fees.

42. Most (37.6%) of the respondents are given less than Rs.10000 as margin money.
43. Most (37.8%) of the respondents opined that the loan amount disbursed in three installments.

44. Majority (59.5%) of the respondents are paying Rs.3,000 to Rs.6,000 as EMI.

45. Most (46.2%) of the respondents are repaying the loan amount for above 20 years.

46. Majority (64.8%) of the respondents are repaying the loan amount by post-dated cheque.

47. Most (40.3%) of the respondents opined that easy about the repayment method of loan amount.

48. Majority (54.5%) of the respondents re-scheduled their loan repayment period.

49. Majority (58.3%) of the respondents opined that the method of increased EMI and decreased repayment period of loan re-scheduling.

50. Majority (50.6%) of the respondents are pre-payment their part of loan amount.

51. Most (46.2%) of the respondents are pre paying the loan amount for reduction interest burden.

52. Most (20.0%) of the respondents are getting money from their friends/relatives for pre-payment.

53. Majority (51.3%) of the respondents opined that the lending bank has charged pre-closure or pre payment charges or penalty.

54. Majority (85.4%) of the respondents opined that the penalty in the range of Rs.300 to 600.

55. Most (41.4) of the respondents opined moderate level towards the penalty for default or delay in repayment of installment.

56. Most (38.2%) of the respondents are neutrally satisfied towards the method of acceptance of surety.

57. Majority (66.4%) of the respondents opined that they would approach the same financial institute for another loan and also recommend for others.

58. Majority (56.2%) of the respondents opined that add-on privileges are not offered for housing loan.
59. Majority (57.2%) of the respondents have availed housing insurance.

60. Majority (52%) of the respondents are not having the default in repayment of installment.

61. Majority (52.2%) of the respondents made the repayment in twice.

62. Majority (61.5%) of the respondents are not paid the panel interest for default.

63. Most (39.2%) of the respondents paid the interest of default for only one time.

64. Most (27.2%) of the respondents have no opinion towards penal interest levied.

65. Majority (52.3%) of the respondents opined that avail tax benefit of getting loan.

66. One-fourth (27.5%) of the respondents are highly satisfied about the tax concessions.

LEVEL OF AWARENESS TOWARDS HOUSING FINANCE SERVICES OF PUBLIC SECTOR BANKS - ANOVA ANALYSIS

1. Maximum level of awareness towards housing finance services perceived by female respondents. It is noted from the Anova analysis that there is a significant difference between gender of the respondents and their level of awareness towards housing finance services offered by public sector banks.

2. Maximum level of awareness towards housing finance services perceived by the respondents with the age group between 36-45 years. The Anova analysis proved that there is no significant difference between age of the respondents and level of awareness towards housing finance services offered by public sector banks.

3. Maximum level of awareness towards housing finance services perceived by the married respondents. It is surmised from the Anova analysis that there is no significant difference among marital status of the respondents and level of awareness towards housing finance services offered by public sector banks.

4. Maximum level of awareness towards housing finance services perceived by the respondents of having upto 3 members. The Anova analysis resulted that there is
no significant difference among family size of the respondents and level of awareness towards housing finance services offered by public sector banks.

5. Maximum level of awareness towards housing finance services perceived by the respondents qualified with college level. It is identified from the Anova analysis that there is a significant difference among educational qualification of the respondents and level of awareness towards housing finance services offered by public sector banks.

6. Maximum level of awareness towards housing finance services perceived by agriculturists. The Anova analysis conformed that there is no significant difference among occupation of the respondents and level of awareness towards housing finance services offered by public sector banks.

7. Maximum level of awareness towards housing finance services perceived by the respondents having the experience of above 20 years. The Anova analysis resulted that there is a significant difference among length of occupation of the respondents and level of awareness towards housing finance services offered by public sector banks.

8. Maximum level of awareness towards housing finance services perceived by the respondents earned Rs.20,001 to 30,000. It is noted from the Anova analysis that there is no significant difference among monthly family earnings of the respondents and level of awareness towards housing finance services offered by public sector banks.

9. Maximum level of awareness towards housing finance services perceived by the nuclear family respondents. It is inferred from the Anova analysis that there is a significant difference among family style of the respondents and level of awareness towards housing finance services offered by public sector banks.

10. Maximum level of awareness towards housing finance services perceived by the respondents residing in rural area. It is surmised from the Anova analysis that there is no significant difference among area of residence of the respondents and
level of awareness towards housing finance services offered by public sector banks.

11. Maximum level of awareness towards housing finance services perceived by the respondents’ actual cost as above Rs.30 lakh for construction. The Anova analysis proved that there is a significant difference among actual cost for construction of the respondents and level of awareness towards housing finance services offered by public sector banks.

12. Maximum level of awareness towards housing finance services perceived by the respondents getting from SBI home finance limited institution. It is identified from the Anova analysis that there is a significant difference among borrowed housing finance institution of the respondents and level of awareness towards housing finance services offered by public sector banks.

13. Maximum level of awareness towards housing finance services perceived by the respondents’ sanctioned amount as above Rs.15 lakhs. The Anova analysis conformed that there is no significant difference among sanctioned amount of loan of the respondents and level of awareness towards housing finance services offered by public sector banks.

14. Maximum level of awareness towards housing finance services perceived by the respondents getting loan within 15-30 days. It is stated from the Anova analysis that there is no significant difference among duration for sanction of loan of the respondents and level of awareness towards housing finance services offered by public sector banks.

15. Maximum level of awareness towards housing finance services perceived by the respondents by cash repayment. The Anova analysis proved that there is a significant difference among mode of repayment of the respondents and level of awareness towards housing finance services offered by public sector banks.

16. From the correlation analysis that whenever the age, family size, length of occupation, monthly family earnings, actual cost for construction, amount
sanctioned and duration for sanction of loan towards housing finance services of public sector banks also positively increases.

17. From the multiple regression analysis that the level of awareness towards housing finance services of public sector banks is predicted by age, 0.085 unit increase of family size, 0.101 unit increase of occupation, 0.027 unit increase of monthly family income, 0.041 unit increase of actual cost for construction, 0.069 unit increase of length of unit increase of duration for sanction of loan.

LEVEL OF PERCEPTION TOWARDS HOUSING FINANCE SERVICES OF PUBLIC SECTOR BANKS - ANOVA ANALYSIS

1. Maximum level of perception towards housing finance services offered by public sector banks is found among female respondents. The Anova analysis confirmed a significant difference between gender of the respondents towards housing finance services offered by public sector banks.

2. Maximum level of perception towards housing finance services offered by public sector banks is found among respondents above 45 years of age. It is noted from the analysis that there is no significant difference between age of the respondents towards housing finance services offered by public sector banks.

3. Maximum level of perception towards housing finance services offered by public sector banks is found among married respondents. The Anova analysis resulted in a significant difference between marital status of the respondents towards housing finance services offered by public sector banks.

4. Maximum level of perception towards housing finance services offered by public sector banks is found among respondents who had 4-5 members in their family. The analysis that there is no significant difference between respondents and their level of perception towards housing finance services offered by public sector banks.
5. Maximum level of perception towards housing respondents having no formal education. It is stated that there is a significant difference between educated respondents and their level of perception towards housing services perceived by the public sector banks.

6. Maximum level of perception towards housing finance services offered to government employees. The Anova analysis proved that there is no significant difference between occupation of the respondents and their level of perception towards housing finance services offered by public sector banks.

7. Maximum level of perception towards housing finance services perceived by respondents having the experience of above 20 years. It is divulged that there is no significant difference between occupation of the respondents and their level of perception towards housing finance services offered by public sector banks.

8. Maximum level of perception towards housing finance services perceived by the respondents earning Rs.10000-20000 as their monthly family income. It is explored from the Anova analysis that there is no significant difference between monthly family earnings of the respondents and their level of perception towards housing finance services offered by public sector banks.

9. Maximum level of perception towards housing finance services perceived by the nuclear family respondents. It is evaluated from the Anova analysis that there is no significant difference between family style of the respondents and their level of perception towards housing finance services offered by public sector banks.

10. Maximum level of perception towards housing finance services perceived by the respondents residing in rural area. It is surmised from the Anova analysis that there is no significant difference between area of residence of the respondents and their level of perception towards housing finance services offered by public sector banks.
11. Maximum level of perception towards housing finance services perceived by the respondents whose actual cost for construction as upto Rs.10 lakh. The Anova analysis resulted that there is no significant difference between actual cost for construction of the respondents and their level of perception towards housing finance services offered by public sector banks.

12. Maximum level of perception towards housing finance services perceived by the respondents borrowed from Indian bank housing limited. It is found from the Anova analysis that there is no significant difference between borrowed housing finance institution of the respondents and their level of perception towards housing finance services offered by public sector banks.

13. Maximum level of perception towards housing finance services perceived by the respondents’ sanctioned amount as Rs.10 to 15 lakhs. It is examined from the Anova analysis that there is no significant difference between amount sanctioned of the respondents and their level of perception towards housing finance services offered by public sector banks.

14. Maximum level of perception towards housing finance services perceived by the respondents whose loan sanctioned from 31 - 60 days. It is noted from the Anova analysis that there is no significant difference between duration for sanction of loan of the respondents and their level of perception towards housing finance services offered by public sector banks.

15. Maximum level of perception towards housing finance services perceived by the respondents repaying the amount by cash. The Anova analysis conformed that there is no significant difference between mode of repayment of the respondents and their level of perception towards housing finance services offered by public sector banks.

16. From the correlation analysis that whenever the age, family size, length of occupation, monthly family earnings, actual cost for construction, amount sanctioned and duration for sanction of loan increases their level of perception towards housing finance services also positively increases.
6. Maximum level of satisfaction towards housing finance services perceived by businessman and agriculturist respondents. It is discussed from the Chi-square analysis that there is a close significant relationship between the occupation of the respondents and the level of satisfaction towards housing finance services.

7. Maximum level of satisfaction towards housing finance services perceived by the respondents had the experience of 11-15 years. It is stated from the Chi-square analysis that there is no significant relationship between the length of occupation of the respondents and the level of satisfaction towards housing finance services.

8. Maximum level of satisfaction towards housing finance services perceived by the respondents earned above Rs.40000. It is noted from the Chi-square analysis that there is a close significant relationship between the monthly family earnings of the respondents and the level of satisfaction towards housing finance services.

9. Maximum level of satisfaction towards housing finance services perceived by the respondents in nuclear family. It is stated from the Chi-square analysis that there is a close significant relationship between the family style of the respondents and the level of satisfaction towards housing finance services.

10. Maximum level of satisfaction towards housing finance services perceived by the respondents residing in rural and semi urban area. The Chi-square analysis resulted that there is a close significant relationship between the area of residence of the respondents and the level of satisfaction towards housing finance services.

11. Maximum level of satisfaction towards housing finance services perceived by the respondents whose actual cost for construction as Rs.10.1- 20 lakhs. It is stated from the Chi-square analysis that there is a close significant relationship between the actual cost for construction of the respondents and the level of satisfaction towards housing finance services.

12. Maximum level of satisfaction towards housing finance services perceived by the respondents borrowed from SBI home finance limited and Indian bank housing limited. It is divulged from the Chi-square analysis that there is a close significant
relationship between the borrowed housing finance institution of the respondents and the level of satisfaction towards housing finance services.

13. Maximum level of satisfaction towards housing finance services perceived by the respondents' amount sanctioned as Rs.10 to 15 lakhs. The Chi-square analysis proved that there is no significant relationship between the amount sanctioned of the respondents and the level of satisfaction towards housing finance services.

14. Maximum level of satisfaction towards housing finance services perceived by the respondents whose loan sanctioned from 31-60 days. It is noted from the Chi-square analysis that there is a close significant relationship between the duration for sanction of loan of the respondents and the level of satisfaction towards housing finance services.

15. Maximum level of satisfaction towards housing finance services perceived by the respondents repaying by post dated cheque. It is evaluated from the Chi-square analysis that there is a close significant relationship between the mode of repayment of the respondents and the level of satisfaction towards housing finance services.

16. From the correlation analysis that whenever the age, family size, length of occupation, monthly family earnings, actual cost for construction, amount sanctioned and duration for sanction of loan increases their level of satisfaction towards housing finance services of public sector banks also positively increases.

17. From the multiple regression analysis that level of satisfaction towards housing finance services of public sector banks is predicted by the 0.074 unit increase of age, 0.090 unit increase of family size, 0.057 unit increase of length of occupation, 0.110 unit increase of monthly family earnings, 0.045 unit increase of actual cost for construction, 0.059 unit increase of amount sanctioned and 0.063 unit increase of duration for sanction of loan.
HENRY GARRETT RANKING TECHNIQUE

1. Majority of the respondents are opined that the major factor as ‘low rate of interest and less processing fee’ are the important factors for selecting the particular bank.

2. Majority of the respondents are opined that the major problems faced by the respondents while availing housing loan as ‘high rate of interest and processing fees and indifferent attitudes of the officials’.

7.2 SUGGESTIONS

In the light of the observations made in the preceding sections of this chapter, the following suggestions are offered to bring further improvement in working of the public sector banks in Dharmapuri district.

1. Network of housing finance services of public sector banks is at present confined to limited areas. It could be better, if they expand their operational network to every district head quarter in India.

2. Simplification of application processing procedures needs to be affected.

3. Electronic and print media may be used to bring awareness in the people at large.

4. It would be better if all the documents along with the applications are thoroughly scrutinized before sanctioning the loan.

5. Time lag between loan application and sanction should be minimized.

6. Time lag between loan sanctions and disbursements may be reduced so that the finances can be made available in time.

7. There should be proper monitoring with regard to technical evaluation of the proposals of house financing by the Panel Value Engineer and Technical Team so that there won't be any delay in release of loan amount.

8. Time lag between first installment of disbursement and subsequent installments needs to be reduced.
9. It is advisable for both the organizations not to insist upon the personal guarantors since collateral security is in the form of property mortgage and public sector banks policies are taken.

10. It would be better to persuade the defaulters through counseling before issuing legal notices.

11. It is advisable for both the organizations to dispense off with early redemption charge (i.e., penalty) on pre-payment on fixed loans (i.e., repayment ahead of schedule).

12. Housing finance offered Public sector banks must take immediate steps to implement Customer Relationship Management (CRM) in all its offices. The implementation of CRM may be of more help in reducing the service gaps in them.

13. Apart from business, public sector banks also needs to societal help by sponsoring to the noble causes, conducting charity programmes and helping the general public through its social community programmes.

14. Housing finance offered public sector banks needs to monitor its performance and must implement necessary changes without any hesitation to improve product and services.

15. The public sector banks needs to conduct quarterly customer’s meet and also take their suggestions. They must also need to mail the customers about the developments happening in public sector banks and about their housing loan transactions.

16. Public sector banks need to strengthen good customer relationships with the customers by sending greetings on their birthdays, anniversaries, festivals and other special occasions.

17. The public sector banks need to assign service personnel to demonstrate new schemes and answer questions and providing reassurance as well as assistance is a key element in gaining acceptance of new product and services.
7.3 CONCLUSION

The home loan market in India has grown at a rapid and alarming rate of over 40% over the period of the last four years. And from the reports from one of the industry experts, it is evident that these are very little chance that these will be any significant decline in growth rates in the future.

The study mainly focuses on studying the customers’ perception towards housing finance services offered by the public sector banks in Dharmapuri District. The study is based on descriptive research with a sample size of 1025. Findings reveal that the customers perceive the overall service of the housing finance institutions to be very good on an average. On a majority, the customers agree that the products and processes are also effective. The following suggestions and recommendations are offered based on the knowledge gained during the study and based on the findings of the analysis.

The customers felt that there is no proper updation of repayments. The housing finance institutions should improve the service by enabling automatic generated SMS or e-mails to be sent as soon as the entries are made in the loan accounts of the customers in the system. The customers felt that the RBI guidelines and any such changes on interest rates are not properly conveyed to them.

The housing finance institutions can improve the service by Tele calling, sending SMS and e-mails to the customers regarding from the factor analysis that had been made, it is observed that the major factors that influence customers in choosing housing finance institutions are competitive interest rate, flexible repayment system, progressive funding and prepayment penalty. If public sector banks keep focusing on these factors, it can attract new customers and can also retain more loyal customers in the long run. Majority of the customers are not aware of the various other home loan products offered by public and private sector housing finance institutions, other than the product availed by them. Awareness can be created through display boards within the office and newspaper inserts.