CHAPTER - VII

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

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7.1 FINDINGS OF THE STUDY

7.1.1 Findings Related to the Co-operative Housing Institutions and their Role in Housing Development

In India, the number of housing Co-operatives continuously increased for a period of 42 years. The ever-growing population has caused the increase. Needless to say, the increase in population leads to an increase in the housing needs of the people. Hence, people come forward to form Co-operative housing societies.

The number of members in housing Co-operatives in India also showed a steady and gradual upward trend in the period of 42 years. People's awareness of the benefits of housing Co-operatives and the continuously increasing trend of owning houses are the major reasons for the increase in the number of members in housing Co-operatives. Moreover, the recent phenomenon of the failure of joint family system in both the urban and rural areas of the country forced people to own an independent house. The working capital of housing Co-operatives increased tremendously in the period of 42 years. This fact reflects the immense demand for housing in the country.

All apex Co-operative housing federations in India get maximum amount of loans from the L.I.C for providing housing loans to the housing societies. The LIC is the public sector finance institution that offers more housing loans to the apex Co-operative federations than other housing finance institutions like HUDCO, NHB, HDFC, Commercial Banks and Co-operative Banks.
House construction activities in the state of Tamilnadu through housing Co-operatives are more effective than those of other states. The reason for the outstanding performance of the Tamilnadu state is its earlier establishment of Apex Co-operative housing federation and its effective functioning, compared to other states. The good rapport and the support from the successive Governments are dominant reasons for the number one status of Tamilnadu in construction of houses through its housing Co-operatives. Consequently, the paid up share capital of the TNCHF has been continuously increasing owing to the increase in the number of membership and the volume of business.

The working capital of the TNCHF also increases continuously, as a result of the Tamilnadu Government's introduction and implementation of a number of housing schemes for both the rural and the urban areas through the TNCHF. The TNCHF has come to hold a sound working capital, too. In addition to this, the Government also stands guarantee to the housing finance institutions, thereby encouraging them to lend loans to the state Co-operative housing federations. Further, there is a continuous upward trend of reserve funds position in the TNCHF. The refund of deposit at the time of maturity to the deposit holders fluctuates the deposit position of TNCHF, though.

HUDCO is the major contributor of funds to the TNCHF for house construction activities. Tamilnadu is the only state government that gives guarantee to HUDCO for its loan to the TNCHF. Raising the individual loan
limit, decisions to lend loans to the members for house maintenance and expansion purpose, income tax exemption for house loans announced by the Government of India for both principal and interest amount and the impact of new economic policies implemented by the Government of India from 1990-91 are the contributing factors for the remarkable increase in the amount of borrowings by TNCHF.

The TNCHF issued more housing loans to the UCHS compared to RCHS. The high cost of land, the high cost of construction of building in urban areas, high ceiling of the individual loan limit and the better economic conditions of urban people are the major factors that determine the award of higher amounts as housing loans to the UCHS. In addition to this, the collection from the UCHS is more than satisfactory. But the collection from the rural housing societies is very poor. Though the recovery from RCHS is poor, the TNCHF earns more profit and increases the rate of dividend to its member Cooperatives because of the better repayments made by the UCHS to the TNCHF.

Regarding house construction activities in Tamilnadu, the UCHS completed one-fourth of the total number of houses, and the RCHS accounted for three-fourth of the total number of houses completed during the study period. At the same time, the UCHS received three-fourth of the total funds and the RCHS received one-fourth of the total funds disbursed by the TNCHF. The
maximum ceiling for individual housing loan in the UCHS is more than that of the RCHS for the construction of a house. This results in low number of houses in urban area. Quite in contrast, availability of low cost plots for construction of houses results in the construction of more number of houses in the rural area.

The TNCHF is first in terms of its share capital, loans borrowed, loans disbursed and the number of houses completed compared to other Apex Co-operative housing federations in India. The credit goes to the Government of Tamilnadu. Tamilnadu is the only Government in India that gives guarantee to the housing finance institutions to provide loans to the TNCHF.

7.1.2 Findings Related to Financial Status and Problems

There was minimum improvement in the amount of share capital in the period of fifteen years, and therefore, it is not substantial for reaching the level of self-sufficiency. Numerous procedural formalities followed by the housing societies for sanctioning a loan and the undue delay in releasing the Instalments are the reasons for the slow growth in the amount of share capital. In addition to these factors, the members could not receive the full amount of the sanctioned loan because the societies disbursed the loans to the members only after deducting seven (percent), as the share capital on the loan amount. It discourages the members from applying for a housing loan from the society.
There was no appreciable increase in reserve funds position and particularly no increase during the last four years of the study period. It was due to the continuous loss suffered by the urban housing societies in the study area.

Deposit position has registered some increase only in the last three years of the study period, because of the slash effected in the rate of interest for the deposits received by the nationalised banks. Out of 37 urban housing societies, only four societies receive and raise the level of deposits. The rest of the societies fail to take any efforts towards increasing their levels of deposits.

The working capital position showed an increasing trend for the entire study period. It was due to more amounts of borrowings made and the increase in the ceiling on individual loan limit.

There was a gradual upward trend in disbursement of loans. But a remarkable increase in disbursement of loans was seen only in the last six years of the study period. It is due to the better financial position of the Government employees through the implementation of the revision suggested by the fifth pay commission. It enabled the employees to get house loan from the housing societies for construction of their own houses. The high cost of construction of a house during this period is another factor that was responsible for the increase in the borrowings from the urban housing societies in the study region.
No uniformity in progress in the numerical strength of borrowers could be noticed during the study period. There was a fluctuation in the number of borrowers during the entire study period. Abnormal delay in sanctioning loans and high rate of interest charged for house loans are the significant reasons for the slow progress in the number of borrowers. There was appreciable growth in the number of borrowers during the last two years of the study period because the Government of India announced tax exemption for housing loans.

High increase of overdues was seen from 1994-95 onwards. The reasons for overdues are due to the failure of the employees to inform the borrowers about the consequences of overdues and failed to convince the borrowers of the necessity to pay the Instalment in time. Added to these, the number of legal formalities to be fulfilled by the housing societies before taking strong actions against the defaulters led to inordinate delay in collecting the amount from them.

There was a visible fluctuation in the amount of bad debts in the first seven years of the study period. Thereafter there was a continuous increase in the amount of bad debts. It was due to an increase in the number of defaulters and, further, the amount recovered from the disposed properties of the defaulted members was less than that of the actual due to be collected from them.
Unexpected price increase for the agricultural produce, maturity of bonds, fixed deposits, L.I.C policies, properties received and disposed from the family partition and Government employees getting lump sum benefits from the V.R.S. and C.R.S are the reasons for premature closure of loans.

Loan due to the TNCHF by the study area and the loan due from beneficiaries of the study area were the same. But in the case of the Co-operatives of the area of study, the loan due from the beneficiaries was less than that of the loan due to the TNCHF. It means that societies failed to repay the loan amount in time to the TNCHF even after collecting the loan amount from the borrowers. In addition to this, the housing Co-operatives are in the habit of re-lending this amount to their members. These are the reasons for the variation.

There was a tremendous increase in establishment and contingency expenses, which includes salary expenses during the study period. Salary expenses were doubly increased during the last five years of the study period. It was due to the excess appointments made in societies during the regime of boards. It led to heavy losses in the last three years of the study period. Hence, majority of the housing societies in the study area did not declare dividend. Particularly, none of the societies declared dividend to the borrowers during the last three years of the study period.
The urban housing societies in the study area cannot solve the urgent loan need of the members. They fail to improve the own financial resources through accepting deposits. They are totally dependent upon housing finance institutions for availing the needed funds.

Operational expenses of the housing societies in the study area have exceeded the actual income. They are unable to exercise control over the expenses during the recent past. They do not worry about the current earnings of the societies. For the time being, the part of the expenses are met by the housing societies out of the share capital held by it and thereby they cause erosion of the amount of share capital. It will be the burning finance problem in the study area in the years to come.

The rate of interest charged by the housing societies for loans are more than other housing finance institutions. In housing societies, the rate of interest is fixed by the TNCHF. Hence, people approach other housing finance institutions for house loans. Consequently, the societies would face the problem of lending money to the people at a competitive rate of interest and such a measure is bound to affect their business in the future.

The housing societies in the study are unable to pay the dues in time to the TNCHF, and thereby the TNCHF delays to sanction loans to the societies. Due to the gradual declining trend in percentage of repayment, further inordinate delay in disbursement of loans to members becomes inevitable.
Ultimately, the societies would not be able to satisfy the urgent need of their members.

The beneficiaries of the UCHS in the study area were not prompt in remitting their dues to the housing societies. It led to mounting of overdues. It affected the recycling of funds together, which, in its wake, brought about the inability to mobilize internal resources. It led to reduction in the quantum of lending. Such pitfalls bring instability to the Co-operative housing societies.

Housing societies sanctioned only 75 percent of the estimated cost of construction as loan. Moreover, the societies deducted seven percent of the loan amount as a share capital and one percent of the loan as registration charges. The borrowers received only 67 percent of the estimated cost after the deductions were made. It forced the beneficiaries to borrow finance from private moneylenders by paying exorbitant rate of interest to meet the remaining 33 percent of the estimated cost. It affected their repayment to the housing societies which levy a low rate of interest.

Individual loan limit is less in the UCHS compared to other housing finance institutions. Housing societies failed to raise the individual loan limit. Hence, most of the high-income group people went and approached other housing finance institutions and thereby affecting the growth of the societies.
Housing societies are permitted to retain a margin of interest that does not exceed one percent on funds received out of housing finance institutions. It is not sufficient even to meet the operational expenses of the housing societies. The reason why the housing societies struggle for survival is due to the necessity of ensuring a lower rate of interest margin.

The amount of bad and doubtful debts was continuously and highly increasing during the last eight years of the study period. They would be written off either against the profits of the housing societies in future or the bad debts reserve created out of profit in earlier periods. The problems in the study area were that most of the societies had not earned profits in the last 10 years of the study period.

7.1.3 Findings Related to Administrative Problems

Majority of employees of all districts have not attended any orientation programmes till date. It indicates that there is still an absence of adequate trained manpower in managing the UCHS at all levels in the study area. Hence, the efficiency of administering the housing societies is not at a satisfactory level.

None of the UCHS in the study area have Xerox and computer equipment. It denotes that they are unable to purchase even a computer. Further, the societies are unable to reduce the high overhead expenses, office
expenses, and also to reduce the staff strength. These deficiencies add to the woes of housing Co-operatives in the study area.

Out of the 37 UCHS, 33 societies function in rented buildings. They are unable to have their own office buildings due to inadequate owned finance resources. They do not take concerted efforts to strengthen the finance resources. They face severe financial strain due to the continuous increase of recurring expenses.

Suitable and required land and building materials were not available at reasonable rates. It reflects that the state authorities have hardly given any preference to these societies in matters of allotment of land and also in getting building material like cement at concessional prices.

The number of months required for the sanction of house loans to the members is between eight and twelve months. It is due to administrative delay in sanctioning a loan. It is a major burning administrative problem in the Co-operative housing societies in the study region.

It is inferred from the opinions of the secretaries in the study area that they were not satisfied with the work done by the employees. It indicates that the employees of the societies are not interested in carrying out their work more than the normal working hours. They are reluctant to accept any extra
work. They are not willing to go and meet the borrowers at regular intervals. There was no systematic mechanism to check defaults in housing societies.

Due to political interference, the elected board has recommended loans to their political party members not considering their repaying capacity while sanctioning loans to them. It gives rise to the mounting of overdues.

The field conditions reveal that there is a great shortage of sincere leaders in managing the Co-operative housing societies. The elected board members are not interested in promoting administrative efficiency of the societies. They are least bothered about solving the various problems faced by the societies.

So far, the full strength of the board members have never participated in the board meetings. Due to their illiteracy and poor knowledge about Co-operative principles, they do not know the resolution matters in details. The employees of the UCHS utilise this opportunity to revise their salaries along with other matters. They do not worry about the present earnings of the societies. Ultimately; all this leads to excess of unnecessary expenses that overwhelm the income.

The participation of members in the affairs of the housing Co-operatives is poor. It is because members are not well educated. They are ignorant of the objectives of the housing societies. Yet, they are admitted as members. They
have no clear-cut idea about the functioning and management of housing society. They do not know about the activities and benefits of the housing societies. Naturally enough, it affects the growth of housing societies.

The state government has failed to conduct Co-operative elections regularly. It indicates that conduct of Co-operative election depends upon the decision of the ruling state government. Again, it leads to undue delay in taking decisions almost in all the matters.

None of the secretaries of the UCHS in the study area preferred to work either under the control of board or a special officer. Even though they are full time employees, they are not sincere and they do not take part in decision-making process. They simply transfer their responsibilities to the board members as well as the special officer. They do not bother about the administrative setup of the housing societies. It is because they are only paid servants.

It is reported that the interference by the Government officials in the day-to-day functioning of housing Co-operatives is becoming more and more. It indicates the inherent weaknesses in the existing Co-operative laws. Unjustified supersession of elected managements by the Government and bureaucratic controls over the management of housing Co-operatives in the study area have rendered these institutions Government-run bodies rather than the member-driven.
Central and state Governments do not extend adequate financial and administrative support. It indicates that the Co-operatives are not getting the support, which they used to get in the past. Preferential treatment and assistance by way of subsidy and aid are not made available to Co-operatives though they used to get them earlier.

There is a lack of motivation of among the members in the housing Co-operatives and also a wide gap of communication between the members and the board of management of Co-operative housing societies. Due to lack of motivation and ineffective timely communication, the progress of a housing society is restricted.

7.1.4 Findings Related to the Opinion of the Beneficiaries

Out of the 341 respondents, 261 respondents, that is, 76.53 percent had borrowed loan for the purpose of constructing new houses. The housing societies did not sanction sufficient amount of loans for the procurement of old houses. They do not sanction the loan in accordance with the prevailing market valuation of old houses.

The low and middle-income group respondents are the most benefited from the urban housing societies in the study area. It is due to the timely response from the employees of the housing societies, which the beneficiaries cannot expect from other housing finance institutions.
Majority of the sample respondents in the study area were of the view that the period of loan is insufficient. It is because low and middle-income group respondents found it very difficult to pay the Instalments that were rather high. It increased their financial burden.

Easy approach, friends, neighbours, relatives working in housing societies are the factors which influenced most of the respondents in the study area for selecting the housing society for house loans. Another reason is that they are sure to receive timely responses from the employees. Moreover, they can get their queries cleared immediately.

They expressed that abnormal delay in processing loan application, sanctioning of loans, and the time gap between releases of the Instalments by TNCHF are the major difficulties faced by them for getting house loans in the housing societies. It is due to the absence of adequate delegation of powers of TNCHF to the housing societies.

Beneficiaries in the study area are stated further that the rate of interest charged for house loans by the housing societies is high compared to other housing finance institutions. Due to this high rate of interest there is a fall in demand for house loans in housing societies.
The respondents indicated that the processing, registration and service charges levied by the housing societies are high. It is because other housing finance institutions do not charge any registration charges at the time of availing house loans. This act on the part of housing societies will only prevent the members from borrowing house loans from housing societies in future.

They further opined that the present building inspection method is rigid while the construction of a house is on. Frequent inspections made by the officials of the housing societies has created a negative attitude in the minds of the respondents. It is because the respondents are unable to make even a slight change while constructing a house. For making any change in the house-building plan, the officials of the housing societies demand some extra amount for giving approval for the same.

Majority of the respondents in the study area confessed that they were not aware of the bonus scheme of the society for prompt repayment of loan. The communication gap between the respondents and the housing societies is the major reason for the respondents' ignorance about the bonus scheme of the society for prompt repayment. Out of 254 defaulters, 165 had overdues that were more than time Instalments and the rest of them had overdues up to time Instalments. It indicates that the employees of the societies failed to convey to the loanees the dire consequences of overdues, particularly, about charging penal interest to the respondents. Moreover, the authorities of the housing
societies are not rigid in recovery process, which is another major cause for the overdues.

The sample respondents in the study area opined that the reasons for default in repayment of loan are monsoon and crop failures, unexpected family commitments and dullness in business activity. Most of the defaulters were agricultural respondents. The reason was un-guaranteed regular income throughout the year. Further, out of 341 respondents in the study area 310 respondents stated that they raised additional loans through various sources for meeting the house completion activities. Inadequacy of loan disbursed by the housing societies is the major contributing factor for the respondents to obtain funds from other sources for meeting their demand for house completion activities. It leads to extra financial burden to the respondents.

7.1.5 Findings Related to Comparative Performance of the UCHS of Each District in the Study Area

There was no steady progress in the number of members over the period under study. There was only a marginal increase in the number of members in Kanyakumari district because majority of the people in this district have their own houses. Growth of membership position was satisfactory in the other two districts of the study area due to more house construction activities.

Increase in share capital was not satisfactory in Kanyakumari district due to poor loan demand and in the other two districts the share capital
position was satisfactory due to gradual increase in loan demand during the period under review. The continuous non-earning of profits from their loaning operations is responsible for the slow progress in reserve funds position for the last five years in Tirunelveli district, for the last three years in Tuticorin district and the last ten years in Kanyakumari district.

In Tirunelveli district, out of 17 UCHS, only three UCHS received deposits, and in Kanyakumari district out of 13 UCHS only three (3) societies received deposits till date. None of the UCHS in Tuticorin district accepted deposits from the members because the secretaries and the employees of the UCHS were not ready to take any extra efforts to accept deposits.

The working capital adequately increased in Tuticorin district when compared to the other districts of the study area. It was due to the steady increase in continuous borrowings and the rising demand for construction of houses. It did not increase much in Kanyakumari district due to poor loan repayment in the recent past. It was increased in Tirunelveli district at a satisfactory level.

The performance of the UCHS of Tuticorin district was performed at a satisfactory level when compared to the other two districts of the study area in most of the aspects. The aspects mentioned here are membership growth, growth of working capital, loan demand, amount of the loan disbursed,
progress in the number of borrowers, recovery performance from the borrowers and the profitability position during the study period.

7.2 CONCLUSIONS

The quote Edwin C. Bliss, "Success does not mean the absence of failures, it means the attainment of ultimate objectives. It means winning the war, not every battle" (NCHFI Bulletin). It is cent percent true in the case of housing Co-operatives.

From the overall analysis of the study, the researcher has come to conclude that the financial position of the urban housing societies in the study region is not sound during the study period. They are struggling hard for their survival at present. They also face numerous problems both financially and administratively. The severe competition from public, private and multinational banks have accelerated the losses of the housing Co-operatives. These problems can only be solved when governments and the departments concerned undertake vigorous and time-bound programmes. Hence, for the betterment of the urban housing societies, both central and state governments should come forward to help not only to build up the housing societies in their financial aspects but also in revamping their administrative setup. If the governments and the housing Co-operatives, in particular, do not respond to rectify the problems cited in this research work, the future of the UCHS will be gloomy, indeed.
7.3 RECOMMENDATIONS

7.3.1 Recommendations to the TNCHF

The TNCHF disburse loans to the societies only after deducting seven percent of the loan amount as share capital. Out of this six percent is retained by the TNCHF itself as share capital of a society and the remaining only one percent is kept by the society. It is not sufficient for the housing societies to improve their financial base. Hence, the TNCHF should take steps to share this percentage equally. That is, 3.5 percent each.

The TNCHF takes six months to one year for processing loan application and sanctioning loans but the other housing financial institutions like HUDCO, NHB, the L.I.C, HDFC and commercial banks take the maximum period of ten days for the same. Therefore, it is suggested that the TNCHF should finish the loan sanctioning process at least within the maximum of one month. The TNCHF should also delegate more powers to the housing societies to expedite this process.

The business margin allowed by the TNCHF to the housing societies is only one percent. At present, it is not sufficient even to meet the operational expenses of the housing societies. Hence, it is recommended that the TNCHF should allow the housing societies to increase the business margin by at least two percent.
In housing societies the present rate of interest charged for loan is twelve percent but in other housing finance institutions the rate of interest charged for house loans is between 7.5 percent and 8.50 percent. To compete with other housing finance institutions, the TNCHF should take steps to fix a competitive rate of interest.

The TNCHF should sanction loans to the members of the housing societies for the purchase of old houses on the present market valuation. The valuation of the old houses should be enquired with the sub-registrar office at frequent intervals. Hence, it is suggested that loans should be sanctioned by the TNCHF for the purchase of old houses, which should be based on the valuation given by the sub-registrar office.

On behalf of the housing societies, the TNCHF should take initiatives to conduct frequent orientation programmes for both employees and the board members of the housing societies. It is essential for increasing the efficiency of administering the housing societies.

The housing societies should come out with modern approaches and avoid the outdated traditional approach. On behalf of the housing societies, the Apex Co-operative housing federation should give timely advertisement not only in reputed newspapers but also through televisions. They should create awareness in the minds of the members as well as the public about the current changes in housing schemes then and there.
7.3.2 Recommendations to the Co-operative Housing Societies

In housing societies, the present repayment of loan period is ten years. But in other housing finance institutions the repayment period is twenty years. So, the housing societies should increase the repayment period of loan to twenty years (20) or at least it should be on par with other housing finance institutions. Such a measure will increase the number of Instalments and reduce the Instalment amount. It will be convenient for the borrowers. It will attract the low and middle-income group members. It will encourage them to borrow house loans from the societies. It will increase the business as well as the earnings of the housing societies.

In housing societies, the present loan sanction ceiling is seventy five percent of the estimated cost of construction. But in other housing finance institutions the present loan sanction ceiling is eighty five percent of the estimated cost of construction. Hence, the housing societies should increase the loan sanction ceiling to 90 percent of the estimated cost or at least it should be on par with other housing finance institutions. It will enable the borrowers to complete the house completion activities with the available amount. It will not force the borrowers to obtain loans from private finance institutions paying exorbitant rates of interest. It will not affect their repayment. It will reduce the overdues of the borrowers in future.
Housing societies should also function on all Sundays. Instead of declaring Sunday as a holiday, the housing societies should declare a holiday on any one of the other weekdays. It will be convenient for the salaried and business group borrowers to go and pay their Installment dues on time so as to avoid over-due. It will boost up the recovery performance and reduce the overdues of the housing societies.

In order to make the administration more effective, the housing societies should purchase a computer to aid in the speedy transactions and accuracy of business operations. The induction of a computer will help in reducing the present manpower and thereby increase the earnings of the housing societies.

The housing societies should take steps to induce the professional people like doctors, engineers and auditors to get house loans from Co-operative housing societies. For this purpose, the Co-operative housing societies should increase the individual loan limit. At least, it must be equal with other housing finance institutions. It will increase not only the volume of business but also the earnings of the urban Co-operative housing societies.

7.3.3 Recommendations to the Employees of the Housing Societies

The employees of the housing societies in the study area should take adequate and timely effort to receive and raise the level of fixed and recurring deposits from the members, employees and the public. Thereby they can increase their own financial resources. They will disburse the loans to satisfy
the urgent need of the members out of this resource. It will increase their earnings and also satisfy the members of the Co-operative housing societies.

The employees of the housing societies, it is suggested, should take effort and lead 'home to home approach' campaign in order to mobilise the members for active participation and wholehearted involvement in Co-operative activities. It will strengthen the functioning of Co-operative housing societies.

In order to increase the recovery performance of the housing societies, the employees of the housing societies should go and meet the beneficiaries at regular intervals. They should enlighten them on the consequences of overdues. They should also encourage the beneficiaries by elaborating on the bonus scheme of the housing society for prompt repayment of loan.

The progress in amount of borrowings and the recovery performance of the UCHS of Tuticorin district in the study area is satisfactory when compared to the other two districts of the region. The employees of the UCHS of the other two districts should take timely initiatives like the employees of the Tuticorin district UCHS to increase the recovery performance and to raise the level of borrowings in future.

7.3.4 Recommendations to the Government

Both central and state governments would sponsor sufficient long-term loans for the Co-operative housing societies at five percent rate of interest,
which is essential for the progress of the Co-operative housing movement in India.

Housing societies are to follow a number of legal formalities before going to take strong action against the defaulters in repayment of loan. It leads to inordinate delay in taking actions against them. For taking timely actions, the housing societies should reduce the number of legal formalities. For this purpose, the government should frame and pass Separate Act for Co-operative housing societies. It will enable the housing societies to expedite the actions to be taken against the default members. It will be immensely helpful to the housing societies to reduce the amount of bad and doubtful debts and it will also increase the recovery.

The state government should take steps to conduct Co-operative elections after the expiry of every three years. It will avoid undue delay in taking decisions almost in all matters.

The central and the respective state governments should not withdraw the guarantee for the loans advanced by the housing finance institutions to the Co-operative housing societies through the Apex Co-operative housing federation. If it is not done, the housing finance institutions will hesitate to disburse further loans to the housing societies. Further, it will affect the business of the Co-operative housing societies.
The government should sponsor adequate financial support to the housing societies for the construction of their own office buildings with subsidy. It will reduce the recurring expenses and thereby increase the earnings of the housing societies.

The central government should give directions to the housing finance institutions like the L.I.C, NHB, HUDCO, HDFC and commercial banks to lend loans to the housing societies at a rate of interest, which is equal to the interest charged by the housing finance institutions to its borrowers for house construction activities.

Both the central and state governments should give preference to the Co-operative housing societies in matters of allotment of land and also getting building materials like cement at concessional prices.

The state government should extend C.R.S and V.R.S schemes to the UCHS to reduce the present staff strength and thereby reduce the salary expenses of the housing societies.

The societies should get prior permission and approval from the respective state government for the revision of salary of the employees. Further, the housing societies should not fill up any vacancies without the prior approval of the government. The government should also fix the minimum and the maximum number of employees in a housing society.
The members of the housing societies should be permitted to make changes in house building activities. The officials of the societies should make a visit and give approval for the same. The societies should not charge any extra fees for giving approval for the same.

7.3.5 Recommendations to the Co-operative Department

The Co-operative department should take concerted efforts to conduct a number of orientation programmes related to Co-operative principles, education and management both for members as well as employees of the housing societies. It should be frequently conducted at least at district level. It will also increase the involvement of members in Co-operative activities.

7.4 SCOPE FOR FURTHER RESEARCH

The following are the topics suggested for further research.

1) Financial status and problems of urban and rural Co-operative housing societies – Region-wise analysis.

2) Financial status and problems of urban Co-operative housing societies in the state of Tamilnadu.

3) Financial status and problems of rural and urban housing societies in the state of Tamilnadu – A comparative analysis.

4) Performance analysis of housing finance institutions including housing Co-operatives in promoting housing in Kanyakumari district – A comparative analysis.

5) Comparative performance of the UCHS in the states of Tamilnadu and Kerala.