



HOUSING FINANCE AND ITS IMPACT ON FINANCIAL INSTITUTION IN KALLAKURICHI TALUK, VILLUPURAM DISTRICT

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ABSTRACT

Housing finance is one of the formal financial assistance promote construction of new house for arranging the financial assistance to customer. Financial institution is corresponding dedicated fully pledged contribute the capital arrangement schemes wise financial services in rural areas. Banking sector predominant prepared lengthy producers of customer for getting housing finance submitted some of the collateral security through banking institution. Reserve bank of India finalized the grant assistance however arrange the economical and financial weakness of customer improve and change certain level. Housing finance is major key role to eliminate easy way provide financial assistance for construction of new house and alteration of buildings for short period.

KEYWORDS : Finance , Bank, Entrepreneurs, Loan, Savings

Introduction

Financial institution is a backbone of housing finance customer establish new house for financial assistance of banking sector. Finance is fundamental criteria develop the housing board authority change to analysis the customer strengthens and weakness of financial aspects promote grant aids supportive in rural, semi-urban, urban areas. Financial institution is assistance of change the financial services of customer increasing day to day improvement of housing society in India. Government of India concentrated fully dedicated financial of capital budget announced under various plan and schemes introduced through financial institution. Ever banking sector prepared formal level of procedures provides reasonable interest rate a maximum periods of collection and repays the housing finance. Private sector bank maintains certain criteria to provide the financial assistance of among customers developing the modern society in India. National housing board of India multi-level of financial services through housing loan directly contribute the financial institution are intermediaries of customer. Banking sector adoption the customer relationship management increasing the financial services at every time quality of benefit gathered from various financial institutions. Finance is commonly used all activities without finance there is no performance of banking sector is mobilization of capital resources of customer services.

Problems of Financial Institutions

Indian financial institutions are occupying the financial services of housing loan through customer framed new regulation policy and schemes uplifted in backward areas. Most of the villages not improve the standard livings of basic requirements like housing facility have not constructed of housing in rural areas. Public sector bank are fixing the target contribute the housing loan for secured of various assets submitted through financial institution in India. Housing finance not get easy manner can approaches banking formalities fulfill the customer responsibilities collecting various background information whatever the assets level of repayment of banking loan through banking sector. Financial assistance is one of the economic views of financial position for construction of new house establishment of credit facilities contribute to rural areas. Banking sector provide housing finance for collected the investigation method of customer to analysis diversification of banking services among financial institutions namely public sector bank, private sector and co-operative bank.

Objectives of the Study

The present study can be divided into following objectives:

1. To analysis construction of house for financial assistance through financial institutions.
2. To understand the problems of housing finance and its impact on banking sector.
3. To found out the financial assistance of housing loan in public

and private sector bank.

4. To improve the value suggestions and conclusion of the study.

Research Methodology

The study confines descriptive in nature to analysis financial institutions of housing finance among various customer investigation collected primary data under interview schedule techniques used in the study. The researcher has to find out construction of house and financial assistance of housing loan through financial institution in the study areas. Kallakurichi there are three banking sector namely public, private and co-operative bank each 40 sample taken under convenient sampling techniques.

Scope and Period of the Study

The study mainly focused housing finance and its impact on financial institutions under various banking sector in Kallakurichi taluk, Villupuram District. The study undertaken period for three month exclusively spent for primary data collected to analysis housing finance through financial institutions in Kallakurichi taluk, Villupuram District.

Table-1 Construction of House

Variables	Respondents	Percentage
Ownership of house Self-build	23	19.17
Hired builders	31	25.83
Rental	19	15.83
Leasing	17	14.67
Government build	30	25
Total	120	100
Roof Type Cement/blocks concrete	21	17.5
Wood	13	10.83
Plastic	22	18.33
Cardboard	15	12.5
Mixture of mud Cement	9	7.5
Wattle and Dub	12	10
Tiles	15	12.5
Thatching	13	10.83
Total	120	100
Sources of Water Public or private water line connection	31	25.83
Water tank or well connection	19	15.83
Local water line (no connection)	22	18.33
Purchased source (bottled water)	18	15
River, lake, or natural source (no connection)	30	25
Total	120	100
Electricity Formal power line connection	47	39.17
Informal power line connection	19	15.83

Self generated	34	28.33
No Electricity in House	20	16.67
Total	120	100

Sources: Primary Data

It is reveals that ownership of house 19.17 percent of the respondents are self build, 25.83 percent of the respondents are hired builders, 15.83 percent of the respondents are rental, 14.67 percent of the respondents are leasing, 25 percent of the respondents are government build.

It is found that 17.5 percent of the respondents have Cement/blocks concrete, 10.83 percent of the respondents have wood, 18.33 percent of the respondents have plastic, 12.5 percent of the respondents have cardboard, 7.5 percent of the respondents have mixture of mud cement, 10 percent of the respondents have wattle and dub, 12.5 percent of the respondents have tiles, 10.83 percent of the respondents have thatching.

It is calculated that 25.83 percent of the respondents sources of water connected with public or private water line connection, 15.83 percent of the respondents are water tank or well connection, 18.33 percent of the respondents are local water line (no connection), 15 percent of the respondents are purchase source (bottled water), 25 percent of the respondents are river, lake, or natural source (no connection) and 39.17 percent of the respondents are using electricity for formal power line connection, 15.83 percent of the respondents are informal power line connection, 28.33 percent of the respondents are using by self generated, 16.67 percent of the respondents have no electricity in house.

Table-2 Problems of Financial Institutions

Variables	Respondents	Percentage
Approaches of loan Friends	26	21.67
Directly	32	26.67
Relatives	17	14.17
Broker/Agent	45	37.5
Total	120	100
Banking institution Public sector	61	50.83
Private sector	27	22.5
Co-operative	32	26.67
Total	120	100
Apply for Loan Yes	92	76.67
No	28	23.33
Total	120	100
If no reason Fear of repayment loan	33	27.5
Lack of Financial Documents	22	18.33
High interest and fees	17	14.17
Difficulty of lengthy procedures	12	10
Lack of bank relations	16	13.33
Lack of collateral/security	20	16.67
Total	120	100

Sources: Primary Data

It is exhibits that 21.67 percent of the respondents are approaches bank loan by friends, 26.67 percent of the respondents are getting the housing finance by directly, 14.17 percent of the respondents are borrowing the loan by relatives, and remaining 37.5 percent of the respondents are lending the loan by broker/agent.

It is noted that 50.83 percent of the respondents are housing finance from public sector, 22.5 percent of the respondents are credit from private sector, and 26.67 percent of the respondents are financial assistance from Co-operative bank and 76.67 percent of the respondents have applied bank loan, and 23.33 percent of the respondents have no apply housing finance. 27.5 percent of the respondents have no reason for fear of repayment loan,

18.33percent of the respondents have lack of financial documents, 14.17 percent of the respondents have high interest and fees for getting loan, 10 percent of the respondents have Difficulty of lengthy procedures, 13.33 percent of the respondents have lack of bank relations, 16.67 percent of the respondents have lack of collateral/security.

Table-3 Impact of Housing Finance

Impact	Very High	High	No opinion	Moderate	Least	Total
Delay on banking institution for Loan approved	27 22.5	35 29.17	17 14.17	12 10	29 24.17	120 100
Maturity of amount sanctioned	31 25.83	22 18.33	19 15.83	28 23.33	20 16.67	120 100
Number of installments repaid of loan	29 24.17	32 26.67	15 12.5	23 19.17	21 17.5	120 100
Improper communication of CRM	41 34.17	16 13.33	21 17.5	19 15.83	23 19.17	120 100
Compulsory secured for collateral security	32 26.67	19 15.83	14 11.67	25 20.83	30 25	120 100
Lengthy formalities and procedures	28 23.33	31 25.83	18 15	20 16.67	23 19.17	120 100
Limited amount of grant Assistance	24 20	27 22.5	32 26.67	22 18.33	15 12.5	120 100
High interest rate and banking charges	31 25.83	19 15.83	24 20	12 10	34 28.33	120 100
Introduce witnessed of customer in same bank	27 22.5	30 25	22 18.33	18 15	23 19.17	120 100

Sources: Primary Data

It is exhibits that 29.17 percent of the respondents delay on banking institution for Loan approved is high level, 25.83percent of the respondents maturity of amount sanctioned is very high level, 26.67 percent of the respondents number of installments repaid of loan is very high level, 34.17 percent of the respondents improper communication of CRM is very high level, 26.67 percent of the respondents Compulsory secured for collateral security is very high level, 15 percent of the respondents lengthy formalities and procedures is no opinion, 26.67 percent of the respondents limited amount of grant assistance, 28.33 percent of the respondents high interest rate and banking charges is least level, 35 percent of the respondents collecting background information is very high level, 25 percent of the respondents introduce witnessed of customer in same bank.

Suggestions

Banking institution framed fiscal policy and regulation delay on approved loan to customer. They are giving some of the instruction follow getting the housing finance from the banking sector. Private sector bank some of security of assets secured/pledged for loan give to customer relationship management is primary function of baking activities promote the financial assistance of customer. Banking sector the maturity of amount loan sanctioned for customer to fulfill the financial support of various activities namely production, distribution of business models. Banking sector collected the collateral security for pledge of housing loan from public and number of formalities contributes the grant assistance through banking sector. Public sector commercial bank should be reducing certain progress of housing loan give to customer. Banking sector collection of high interest rate on repayment of bank loan

with initial amount customer pay compulsory through banking institutions

Conclusion

Housing finance is secondary function of banking activities promote the borrower not easy way getting loan from banking institutions. Reserve bank of India certain norms framed the procedures customer compulsory submitted the collect oral security through banking sector. Co-operative bank is primary motive to fulfill the financial assistance of customer services change the society develop the modern level improving housing board. Government of India promoting the various financial assistance implemented the new policy methods adaption of housing finance among banking institutions. Private sector bank should be reduce certain formalities contribute reasonable interest rate do not delay on issuing of housing finance through customer. National housing board of India should be recommended the financial assistance of housing loan given various customers in India.

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