

A Study on Housing Loan Borrowers Satisfaction With Special Reference To Krishnagiri District

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Abstract- A customer always keeps the first basic need as to own a house. Housing is also accepted as a key sector of the national economy which measures the standard of living and economic condition of the country. To attract customers bank provide home loans at cheaper rate. The study aims to identify the most influencing customer satisfaction factors for housing loan borrowers from SBI. The study was done based on convenient sampling techniques using interview schedule with a sample of 460. The Statistical tools used in the study are Reliability analysis, Factor Analysis, Friedman Test, Independent Sample t test and F Test. The major finding of the researcher is the housing loan borrowers' satisfaction.

I. INTRODUCTION

'House' is one of the basic human necessities next to food and clothing. It is not only a shelter but also an asset and wealth of human being. Housing finance/ loan means 'finance for meeting various needs relating to housing such as purchase of a flat/house, acquisition of a plot and construction of a house, extension of a house, repairs, renovation and up gradation of a house /flat with repayment spread over 15-20 years'.

Housing Finance System in India:

It has two components viz. formal and informal Housing and related infrastructure is one of the principal sectors that can revitalize and sustain economic growth and development. Besides Housing has the maximum propensity to generate income and demand for materials, equipment and services; it is a chronic problem for countries like India. The rapid growth of population, increasing urbanization, break-up of joint families; low income level and inadequate maintenance of housing stock have created shortage of dwelling units not only in urban areas but also in rural areas in India. The matters relating to housing and urban development has been assigned to the State Government and urban local bodies by the constitution of India. The Ministry of Urban Development and Poverty alleviation is the apex authority of Government of India at national level to formulate policies, sponsor and support program. Reserve Bank of India also supports the housing sector through its subsidiary National Housing Bank. Housing ranks third amongst 14 major

industries in terms of total linkage effect in the Economy. It is the second largest employment generator in the country after Agriculture. As per the report of technical group on urban housing shortage in India (2012-17), the housing shortage in the urban areas is 18.78 million units while in the rural area it is 43.67 million units. In 2012, Housing loans as a percentage of GDP have remained at around 7 per cent. From the above data it can be said that there still required the need of houses in India. According to 2013-14 report of NHB, of the total loan granted by public sector banks, 67% (48178 crore) was for housing sector. Thus banks are facing a tough competition. The Government of India is also supporting development in housing sector by taking initiative like "House for All by 2022", "Make in India", "Pradhan Mantri Jan Dhan Yojana." The Banking Companies Act of India defines Bank as, "A bank is a financial institution which accepts the money from the public for the purpose of lending or investment repayable on demand or otherwise withdrawal by cheques, drafts or otherwise."

II. STATEMENT OF THE PROBLEM

In the present study, the basic problem has been outlined after examining the research gap in the available literature on housing finance. It has been observed that few studies have been made on the customer satisfaction along with many other studies pertaining to assessment of housing finance institutions with respect to different parameters. However no study was found on the housing loan borrower's satisfaction. This study has been conducted to analyze the level of housing loan borrower's satisfaction.

III. REVIEW OF LITERATURE

Saurabh Gupta et.al., (2017) "Assessment of Customer Satisfaction Regarding Housing Loans: With Special Reference to Punjab National Bank", this study found that the customers availing overdraft facility are more satisfied than the customers who have not availed this facility. Legal formalities and Procedure affect the customer satisfaction in more extent.

Krishna Banana et.al., (2018) "Customer Satisfaction Regarding Housing Loans: A Study with Special Reference to

LIC Housing Finance Ltd”, this study found that the customers availing overdraft facility are more satisfied than the customers who have not availed this facility. Legal formalities and Procedure affect the customer satisfaction in more extent. Great efforts must be taken to make people aware about the schemes and offers launched by the bank.

Dharchana.S et.al., (2019) “A Study on Customers Perception Towards House Loan”, this study conclude that the perception of the customers in availing house loan, problems faced by the customers and the knowledge they hold about home loan. Irrespective of satisfaction level the desire to acquire the demand forces a customer to take a service.

Anoop Kumar Singh et.al.,(2015) “Assessment of Customer’s Satisfaction in HDFC (An Empirical Study In Lucknow City)”, this study suggested that the institution should revisit its structure of lending cost and device some new schemes catering to the needs of all sections of the society. The schemes should be so designed that the people living below poverty line can also afford cost of loan for their small borrowings and get rid of clutches of money lenders.

Rajalakshmi.S et.al., (2013)“A study is an attempt to evaluate the housing finance provided by public sector and private sector banks in Thoothukudi area”, this study concluded that the first and the most important factor for the growth has been faster rise in incomes as compared to property prices, thus making housing more affordable. Most of the housing finance companies in India have introduced several new home loan products in order to meet the needs of a wide variety of customers. The various home loan schemes have market. The customer can choose those schemes which he feels is good for him and have the capacity to repay it on that specified time period.

Ashok.J et.al., (2017) “A Study on Customer Satisfaction towards Housing Loans Provided by HDFC Limited “, this study concluded that the customer feels that they were not informed about the different kind of interest rates. Because of this they are facing some problems like extending EMI period. Inorder to increase the customer satisfaction HDFC representatives should clearly mention the interest rates to the customers before provide home loans.

IV. SCOPE OF THE STUDY

The study has been undertaken mainly to highlight the housing loan borrowers satisfaction. All kinds of borrowers like upto school level, under graduate, post graduate, professional and others have been included in this study. It has been undertaken from the stand point of

borrowers, and banks are excluded from the study. Only individual borrowers have been taken and other is excluded from the study.

V. OBJECTIVES OF THE STUDY

1. To identify the most influencing customer satisfaction factors for housing loan borrowers from SBI.
2. To analyze the satisfaction level of housing loan borrowers based on gender, Educational Qualification and the respondent’s income level.

VI. HYPOTHESIS OF THE STUDY

Ho: There is no significant difference between the SBI housing loan borrower’s satisfaction and gender, educational qualification and income of the borrower.

VII. RESEARCH METHODOLOGY

Research Deign	Descriptive Research
Source of Data	Primary Data
Data Collection instrument	Interview Schedule / Questionnaire
Study Area	Krishnagiri
Sample Techniques	Convenience Sampling
Sample Size	460
Research Tools used	Reliability Analysis
	Factor Analysis
	Friedman Test
	Independent Sample t test
	F Test

VIII. ANALYSIS OF DATA

Table No.1 RELIABILITY STATISTICS BASED ON CRONBACH'S ALPHA TEST

List of Variables	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Totals Correlation	Cronbach's Alpha if Item Deleted	Reliability based on Cronbach's Alpha
1 Time taken for sanctioning of loan	66.49	84.325	.491	.815	0.827
2 Facilities at office	66.53	83.753	.525	.814	

3 Replying to mail/telephone calls	66.57	83.989	.488	.815
4 Staff knowledge on schemes	66.37	85.163	.457	.817
5 Individual care taken by officials	66.42	83.842	.509	.814
6 Quick disposal of loan	66.70	84.427	.474	.816
7 Facilities available after loan sanctioned	66.75	84.624	.463	.817
8 Time given for repayment	66.82	84.161	.477	.816
9 Mode of repayment	66.71	82.952	.557	.812
10 Received installments in time	66.67	85.034	.464	.817
11 Security requirement	66.69	84.821	.491	.816
12 Rate of interest	66.79	87.878	.196	.832
13 Tax relief	66.90	88.242	.176	.833
14 Adequacy of loan	66.50	85.248	.386	.820
15 Behavior of staff	66.70	83.658	.434	.818
16 Fast & efficient service of the Bank	66.86	86.877	.268	.827
17 Easy query handling	66.56	84.722	.377	.821

18 Safety security privacy	66.66	84.956	.365	.822
19 Loan Availability	66.55	85.699	.331	.823

The above reliability test table shows that the list of variables taken for the present study and its reliability value. The Reliability value based on Cronbach's Alpha is 0.827, it is more than 0.70 therefore it is advisable to do further analysis based on the present collected data.

8.1 Factor Analysis

It is a kind of data reduction technique. In the present study consisting of 19 variables, these variables going to make few groups or factors with the help of factor analysis. The following table shows that the overall summary results of factor analysis.

Table No.2 Summary of Factor Analysis

List of Variables Before Rotation	Extraction	KMO	Initial Eigen values	Cumulative %	List of Variables After Rotation	Name of the Factor	Factor Loading
1 Time taken for sanctioning of loan	.606	0.869	5.236	14.087	3 Replying to mail/telephone calls	(First Factor)	0.767
2 Facilities at office	.663		2.322		2 Facilities at office	1. Loan Pre Sanction Satisfaction	0.745
3 Replying to mail/telephone calls	.657		1.139		1 Time taken for sanctioning of loan		0.731
4 Staff knowledge on schemes	.474		1.091		4 Staff knowledge on schemes		0.546
5 Individual care taken by officials	.523		1.001		7 Facilities available after loan sanctioned	(Second Factor)	0.791
6 Quick disposal of loan	.611		.886		6 Quick disposal of loan	2. Loan Post Sanction Satisfaction	0.717
7 Facilities available after loan sanctioned	.683		.822		8 Time given for repayment		0.619

8 Time given for repayment	.541	.803		5 Individual care taken by officials		0.508
9 Collateral Security requirement in person	.616	.738		18 Safety, security, privacy policy Maintained by the Staff		0.722
10 Received installments in time	.708	.654	36.6	19 Loan Availability arranged by the staff need based	(Third Factor) 3. Bank Employees	0.679
11 Security requirement	.737	.630	11	17 Easy query handling by the Staff	Attitude	0.646
12 Rate of interest	.532	.607		14 Adequacy of loan		0.483
13 Tax relief	.666	.536		15 Behavior of staff		0.415
14 Adequacy of loan	.483	.489		11 Security requirement	(Fourth Factor) 4. Bank Surety Conditions	0.807
15 Behavior of staff	.397	.481	47.3	10 Received installments in time		0.792
16 Fast & efficient service of the Bank	.388	.461	00	9 Collateral Security requirement in person		0.602
17 Easy query handling by the Staff	.481	.432		13 Tax relief		0.811
18 Safety, security, privacy policy Maintained by the Staff	.541	.340	56.779	12 Rate of interest	(Fifth Factor) 5. Taxation Benefit	0.705
19 Loan Availability arranged by the staff need based	.483	.332		16 Fast & efficient service of the Bank		0.441

The above summary of factor analysis table shows that the extraction it indicates the individual variable contribution to the factor score. In the next column KMO 0.869 explains that the present research consisting of the

sufficient number of sample because it is more than 0.70 and also it is significant at 5 per cent. Initial Eigen values suggest that possible to form five factors and its cumulative per cent is 56.779 is also good because it is more than 50 per cent. The rest of three columns after rotation explain that what are the variables coming under each and every factors and its name. Based on the nature of variables the following names are assigned 1. Pre LoanSanction Satisfaction. 2. Post Loan Sanction Satisfaction, 3. Bank Employees Attitude, 4. Bank Surety Conditions, and 5. Taxation Benefits. The further statistical analyses are carried out based on these factor names.

Table No. 3 Friedman Test for Satisfaction Related Factors

Satisfaction Related Factors	N	Mean Rank	Ranks
1. Loan Pre Sanction Satisfaction	460	3.65	2
2. Loan Post Sanction Satisfaction	460	3.35	3
3. Bank Employees Attitude	460	4.62	1
4. Bank Surety Conditions	460	1.71	4
5. Taxation Benefit	460	1.67	5

The above Friedman test describes that the most influencing factors and the least influent factors. Based on the above analysis it is found that Bank Employees Attitudes occupies first rank followed by pre loan sanction satisfaction, post loan sanction satisfaction, bank surety conditions and taxation benefit.

8.2 Housing Loan Borrowers Satisfaction vs. Gender

The following table explains the SBI housing loan borrower’s satisfaction score compared with gender of the respondent using independent sample t test. It is carried out to identify satisfaction level difference between male and female respondent.

Ho: There is no significant difference between SBI housing loan borrower’s satisfaction and gender.

Table No.4 ANALYSES BASED ON HOUSING LOAN BORROWS SATISFACTION AND GENDER USING INDEPENDENT SAMPLE T-TEST

Satisfaction related Factors	Gender	N	Mean	t- value	p-value
Overall Satisfaction Score	Male	282	70.43	0.222	0.824
	Female	178	70.22		

1. Loan Pre Sanction Satisfaction	Male	282	15.39	0.304	0.761
	Female	178	15.47		
2. Loan Post Sanction Satisfaction	Male	282	14.76	0.572	0.567
	Female	178	14.60		
3. Bank Employees Attitude	Male	282	18.84	0.552	0.581
	Female	178	18.65		
4. Bank Surety Conditions	Male	282	11.00	0.278	0.781
	Female	178	10.94		
5. Taxation Benefit	Male	282	10.45	0.494	0.621
	Female	178	10.57		

The above table p value for overall satisfaction score and other individual factors related to housing loan borrower’s satisfaction are more than 0.05. Therefore the null hypothesis is accepted at 5 per cent level of significance. Hence it is concluded that there is no significant difference between male and female with respect to satisfaction.

8.3 Housing Loan Borrowers Satisfaction vs. Educational Qualification

The following table explains that the housing loan borrower’s satisfaction compared with their educational qualification based on one-way ANOVA test.

Ho: There is no significant difference between SBI housing loan borrower’s satisfaction and educational qualification.

Table No.5 ANALYSES BASED ON HOUSING LOAN BORROWS SATISFACTION AND EDUCATIONL QUALIFICATION USING ONEWAY ANOVA(F-Test)

Factors	N	Mean	SD	F test	P value	
Overall Satisfaction	Upto School Level	110	71.27	9.407	1.635	.164
	Under Graduate	94	70.72	8.701		
	Post Graduate	126	70.26	9.865		
	Professional	86	68.15	10.002		
	Others	44	71.75	10.865		
	Total	460	70.35	9.683		
	1. Loan Pre Sanction Satisfaction	Upto School Level	110	15.56		
Under Graduate		94	15.87	2.721		

2. Loan Post Sanction Satisfaction	Post Graduate	126	15.33	2.870	3.138	.015
	Professional	86	14.80	2.930		
	Others	44	15.57	3.045		
	Total	460	15.42	2.932		
	Upto School Level	110	14.53	3.350		
3. Bank Employees Attitude	Under Graduate	94	15.13	2.689	.887	.472
	Post Graduate	126	14.82	2.486		
	Professional	86	13.87	2.958		
	Others	44	15.43	2.984		
	Total	460	14.69	2.915		
	Upto School Level	110	19.31	3.624		
4. Bank Surety Conditions	Under Graduate	94	18.46	3.369	1.209	.306
	Post Graduate	126	18.63	3.572		
	Professional	86	18.59	3.827		
	Others	44	18.75	3.711		
	Total	460	18.76	3.605		
5. Taxation Benefit	Upto School Level	110	10.83	2.482	2.268	.061
	Under Graduate	94	11.17	2.014		
	Post Graduate	126	10.94	2.286		
	Professional	86	10.72	2.481		
	Others	44	11.55	2.287		
	Total	460	10.98	2.323		
	Upto School Level	110	11.05	2.754		
5. Taxation Benefit	Under Graduate	94	10.10	2.419	2.268	.061
	Post Graduate	126	10.55	2.412		
	Professional	86	10.16	2.571		
	Others	44	10.45	2.463		
	Total	460	10.49	2.548		

The above table shows that the p value for Overall Satisfaction, Loan Pre-Sanction, satisfaction, Bank Surety Conditions, Bank Employees Attitude p values are more than 0.05 therefore it is concluded that the null hypothesis is accepted at 5 per cent level. Hence it is concluded that there is

no significance difference between housing loan borrower’s satisfaction and different educational qualification. In the case of Loan Post Sanction Satisfaction, the p value 0.015 is more than 0.05 therefore the null hypothesis is rejected and the alternate hypothesis i.e., there is significant difference between housing loan borrowers’ satisfaction and their different educational qualification.

8.4 Housing Loan Borrowers Satisfaction vs. Income Level

The following table explains that the housing loan borrower’s satisfaction compared with their income level based on one-way ANOVA test.

Ho: There is no significant difference between SBI housing loan borrower’s satisfaction and Income level.

Table No.6 ANALYSES BASED ON HOUSING LOAN BORROWS SATISFACTION AND INCOME LEVEL USING ONEWAY ANOVA (F-Test)

Factors		N	Mean	SD	F value	P value
Total Satisfaction	Low Income	116	71.61	9.266	1.456	.234
	Middle Income	210	70.13	10.049		
	Higher Income	134	69.59	9.415		
	Total	460	70.35	9.683		
1. Loan Pre Sanction Satisfaction	Low Income	116	15.85	2.848	3.143	.044
	Middle Income	210	15.49	2.971		
	Higher Income	134	14.94	2.896		
	Total	460	15.42	2.932		
2. Loan Post Sanction Satisfaction	Low Income	116	14.77	2.899	.130	.878
	Middle Income	210	14.72	3.034		
	Higher Income	134	14.59	2.751		
	Total	460	14.69	2.915		
3. Bank Employees Attitude	Low Income	116	18.84	3.792	.276	.759
	Middle Income	210	18.63	3.624		
	Higher Income	134	18.90	3.425		
	Total	460	18.76	3.605		
4. Bank Surety Conditions	Low Income	116	11.35	2.103	2.306	.101

	Middle Income	210	10.92	2.370		
	Higher Income	134	10.74	2.406		
	Total	460	10.98	2.323		
5. Taxation Benefit	Low Income	116	10.79	2.430	1.084	.339
	Middle Income	210	10.38	2.516		
	Higher Income	134	10.42	2.690		
	Total	460	10.49	2.548		

The above table shows that the p value for Overall Satisfaction, Loan Post Sanction Satisfaction, Bank Surety Conditions, Bank Employees Attitude p values are more than 0.05 therefore it is concluded that the null hypothesis is accepted at 5 per cent level. Hence it is concluded that there is no significance difference between housing loan borrower’s satisfaction and different income level. In the case of Loan Pre Sanction Satisfaction the p value 0.044 is more than 0.05 therefore the null hypothesis is rejected and the alternate hypothesis i.e., there is significant difference between housing loan borrowers satisfaction and their different income level.

IX. DISCUSSION

The above pages explained that the present study conducted to study the most influencing factors for SBI housing loan borrowers. With the help of factor analysis it found that the following five factors, 1. Pre Loan Sanction Satisfaction. 2. Post Loan Sanction Satisfaction, 3. Bank Employees Attitude, 4. Bank Surety Conditions, and 5. Taxation Benefits. Out of these five factors it is further analyzed and identified that most influencing factor is Bank Employees Attitudes with the help of Friedman test. Further the satisfaction score of SBI housing loan borrowers compared with gender it does not shows any difference based on male and female. The satisfaction score again compared with educational qualification and different income level of the borrowers; from these it is found that there is no significant difference between Overall Satisfaction, Loan Pre Sanction satisfaction, Bank Surety Conditions, Bank Employees Attitude; difference exist only with the factor Loan Post Sanction Satisfaction. Based on satisfaction score and different income level Overall Satisfaction, Loan Post Sanction Satisfaction, Bank Surety Conditions, Bank Employees Attitude does not make any differences only in the case of Loan Pre Sanction Satisfaction shows some kind of differences.

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