

**A COMPARATIVE STUDY OF HOME LOANS OF ICICI
BANK AND SBI BANK**

**A PROJECT SUBMITTED TO
UNIVERSITY OF MUMBAI FOR PARTIAL COMPLETION OF DEGREE
OF B.COM (ACCOUNTING & FINANCE)
UNDER THE FACULTY OF COMMERCE**

By

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**Under the Guidance Of
ASST.PROF.DR.KISHOR CHAUHAN**

**JANA VIKAS MANDAL'S
Mohanlal Raichand Mehta College of Commerce**

Diwali Maa College of Science

Amritlal Raichand Mehta College of Arts

Dr. R. T. Doshi College of computer Science

NAAC Re-Accredited Grade 'A+' (CGPA: 3.31) (3rd Cycle)



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CERTIFICATE

This is to certify that **Mr. Vijay Vilas Chavan** has worked and duly completed Her/his project work for the degree of Bachelor in Commerce (Accounting and Finance) under the faculty of Commerce in the subject of **Accounting and Finance** And her/his project is entitled, "**A Comparative Study of Home Loans of ICICI BANK And SBI Bank**" under my supervision.

I further certify that the entire work has been done by the learner under my guidance And that no part of it has been submitted previously for any Degree of Diploma of Any University.

It is her/his own work and facts reported by her/his personal finding and investigation.

Guiding Teacher,

ASST. PROF. Dr. KISHOR CHAUHAN.

Date of submission

DECLARATION

I the undersigned **Mr. VIJAY VILAS CHAVAN.** hereby, declare that the work embodied in this project world titled “**A Comparative Study Of Home Loans ICICI Bank And SBI Bank** ” forms my own contribution to research work carried out under guidance of **ASST. PROF. Dr. KISHOR CHAUHAN** is a result of my own research work and has not been previously submitted to any other university for any other degree/diploma to this or any other university.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name

VIJAY VILAS CHAVAN

Certified by

ASST. PROF. Dr. KISHOR CHAUHAN

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To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

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CHAPTER 1 – INTRODUCTION

Introduction:

Housing Finance / Home Loan

In my study, I have used the terms „home loan“ and „housing finance“ interchangeably. Housing Finance plays a vital role as an engine of equitable economic growth through the reduction of poverty and prevents slum proliferation in economy. The demand for housing has increased rapidly day by day. Therefore, to meet with the growing housing demand is the aim of the government. To achieve this aim it is required to provide the finance for housing to the people. The liberalization of the financial sector of the economy has also become possible by the housing finance.

Home Loan is the funds buyer has to borrow usually from a bank or other financial institutions to purchase a property, generally secured, by a registered mortgage to the bank over the property being purchased. A mortgage loan is a debt owed on a home, the mortgage rate is the interest rate charged to the home owner for the use of the loan

Housing finance or Home loan is a broad topic, the concept of which may vary across continents, regions and countries, particularly in terms of the areas it covers. For 10 Srivastava, P.K. (2003). Banking Theory and Practice. New Delhi: Himalaya Publication House, p.333. 10 examples, what is understood by the term “housing finance” in a developed country may be very different from what is understood by the term in a developing country.

The International Union for Housing Finance, as a multinational networking organization, has no official position on what the best definition of housing finance is. However, the selection of quotes below is offered as a snapshot of what housing finance as a topic covers:

“Housing finance brings together complex and multi-sector issues that are driven by constantly changing local features, such as a counters legal environment or culture, economic makeup, regulatory environment, or political system.” – Loic Chiquier and Michael Lea

In addition, the concept of housing finance and housing finance systems has been evolving over time. Looking at definitions from the mid-1980s, the housing finance was defined primarily in terms of residential mortgage finance:

“The purpose of a housing finance system is to provide the funds which homebuyers need to purchase their homes. This is a simple objective, and the number of ways in which it can be achieved is limited. Notwithstanding this basic simplicity, in a number of countries, largely as a result of government action, very complicated housing finance systems have been developed. However, the essential feature of any system, that is, the ability to channel the funds of investors to those purchasing their homes, must remain.”
– Mark Boleat

In more recent years, a number of much wider definitions have appeared :- “Put simply, housing finance is what allows for the production and consumption of housing. It refers to the money we use to build and maintain the nation housing stock. But it also refers to the money we need to pay for it, in the form of rents, mortgage loans and repayments.” – Peter King

“There is recognition of other relevant forms of housing finance [apart from residential mortgage finance] such as developer finance, rental finance, or microfinance applied to housing. Developer finance is often in the form of unregulated advance payments by buyers, and developers sometimes provide 11 long- term finance to buyers through installments sales when mortgages markets are not accessible. Microfinance for housing is typically used for home improvement or progressive housing purposes. Loans are typically granted without pledging properties. Although the overall impact of microfinance in housing remains limited, this activity can represent an important source of funding for those in the informal sector.” – Loic Chiquier and Michael Lea

Housing Finance is linked with the provision of infrastructure and utilities because it has a clear relationship with the volume of new stock which will be built. As mentioned earlier, housing finance plays an intermediary role between production consumption economy and housing system. Through change in policies in the capital market can be expanded so that a part of the resources flow into housing. Thus, housing finance is an important link in the potential for transforming the creation of housing and social urban investment into strips of property and benefit for the people including low income groups. How the flow of resource helps the wider range of income group will depend upon the terms and condition built into the design of housing credit. Generally requires longer term finance than the one in industry.

Indian Trends in Housing and Housing Finance Markets

In India, the government provisions account for a very small portion of housing activities (i.e.) less than 5% of total housing each year. Thus, the private sector seems to be dominant. However, the public policies often ignored the private sector and so its supply cannot match housing demands.

India is considered as the birthplace of the number zero. Home to roughly 1.2 billion people, India is the second most populous country after China and is expected to overtake it by 2030. About one in every sixth person breathing on earth lives in India, and the growth rate of the population is still high.

Home Mortgage as a Percentage of GDP

Country	Home Mortgage Percentage of GDP
India	5%
Korea	14%
Thailand	18%
Malaysia	23%
Taiwan	37%
Hong Kong	60%
Germany	52%
Singapore	68%
USA	86%
UK	72%
Demark	90%

It could be seen from the above table that in spite of the merits highlighted in the preceding paragraphs, in house mortgage, as a percentage of GDP, India stands the lowest. Amongst the Asian countries, Hong Kong is the topper, followed by Taiwan, Malaysia, Thailand and Korea.

Structure of Housing Finance

Home is a dream of a person that shows the quality of efforts, sacrifices luxurious and above all gathering funds little by little to afford individuals dream. Home is one of the things that everyone wants own. All the public, private, foreign, co-operative banks and financial institutions provide home loans to the people who want to purchase a home through home loan.

Structure of Housing Finance Home is a dream of a person that shows the quality of efforts, sacrifices luxurious and above all gathering funds little by little to afford individuals dream. Home is one of the things that everyone wants own. All the public, private, foreign, co-operative banks and financial institutions provide home loans to the people who want to purchase a home through home loan.

Home loans work like any other debt. That is, loans are simply specific money that we borrow from a bank, a private lender, or some other type of lender. Afterwards, we must repay our debts with interest. However, unlike other types of loans, home loans are different in several respects. Owning a piece of land or property is a lifetime dream for every individual. There are many home loans provider in the market.

There are different types of home loan:

- Σ Home Purchase Loans
- Σ Home Improvement Loans
- Σ Home Construction Loans
- Σ Home Extension Loans
- Σ Home Equity Loan
- Σ Land Purchase Loan
- Σ Bridge Loan

Σ Home purchase loans:

These are the basic forms of home loans used for purchasing of a new home. With about a million home lenders and mortgage brokers it's becoming a tough challenge as the days are progressing. But at the same time, when the sites are coming up with all the latest tools and relevant information for us, and with all such conveniences, obtaining a home purchase loan or mortgage has become really pretty simple.

However, at the same time though, we may be flummoxed to look so many attractive rates and offers in the market, not to forget the hidden costs associated with each of them.

Σ Home improvement loan:

Home improvement loans are used to finance improvements and add on to the existing set of credentials of beauty on your owned house, recently purchased property or rented accommodation. Home improvement loans are used to maintain or enhance the value of your house. In general it includes: repairs, remodeling, energy-related items (permanent in nature), repairs, a new kitchen, a new bathroom, terrace, an extension or general property improvements. Luxury items and fireplaces are generally not eligible, though. Many improvements in landscape and even swimming pools are nowadays considered to be a part of home improvement.

Σ Home construction loan:

Home construction loans are used to finance for the construction of our newly acquired home or if we are planning to build a home.

The factors include in calculations for house building costs?

Σ Design of the house

Σ Construction cost

Σ Financing Cos

Σ Buildable site

All the above mentioned costs will help us to determine the amount we may need to borrow. For example, besides calculating the construction costs, we may also be required to consider the total expenditures to develop the site in order to build. Each site is unique requiring different expenditures so this specific rupee amount will vary from site location to site location.

Payment:

Before the house starts getting build, we will be required to pay a deposit to your builder as well as paying a deposit for the land if we are buying land. As work progresses you will need to make payments to the builder. Certain loans can be structured for progress payments to be made during construction.

Home extinction loan:

Home extension loans are used by customers to get loans from the banks to extend their houses, by adding more rooms, kitchens, wash rooms, terraces, or any other rooms for your growing family. It may also be used to enclose open balcony/terrace space, or constructing a Pujaghar.

Maximum Amount of Home Extension Loans:

Banks generally offers about 70-85% of the total amount of home extension as loan. The amount of loans anctioned also depends on a number off actors such as the age of the applicant at the time of loan ,tenure of the loan ,repayment capacity of the borrower ;his/her credit history etc.

Home Equity loan:

Home equity loan helps customer to obtain cash the market value of the commodity by taking a loan by mortgaging the property. So, Home equity loans are availed by customers, who wish to mortgage his/her property to the bank for taking some loan for some other purpose. Then, it's up to the bank's discretion to consider the market value of the property and accordingly decide how much to pay to the customer. Both the residential as well as nonresidential property can be considered for the approval of the loan, provided the mortgagor is a licensed title holder and the land is free from any kind of dispute.

Home equity loans don't restrict one to use the loan money in specific investments. It might also be used in marriage, higher education, medical expenses, etc.

However it should not be used in any illegal or speculation purposes.

Bridge loan:

Land purchase loan: Land Purchase loans are used by customers who wish to purchase a plot of land for commercial or residential purpose. Everyone has his/her dream perfectly sketched in his souls and so is his ambition to get his house erected on the exact location he dreamt that to be. If you have found and shortlisted the piece of land, and have arrived here for finance, you have come to the best place you could have arrived in the web. Now, that you have decided to purchase a land as an investment or for your own dream home, you will realize that a land purchase loan is one you will cherish. Loans that are strictly for land purchase can be as scarce as good residential plots. While many lending firms around the nation compete to provide mortgages for the purchase of a house on a lot, only local institutions typically will be interested in lending for an empty lot. Bridge loans are designed for people.

Bridge loans are used by customers as an effective vehicle to capitalize on a purchase opportunity. It can be considered as a short term financing scheme which is generally expected to be paid back, within the range of 6-36 months, till the time the borrower gets more permanent and lower cost financing. So, bridge loans, (or swing loans as they are otherwise said) is a short term loan provided by various banks like Bank of India, Citibank, ICICI etc. often used for commercial real estate purchases, retrieve real estate from foreclosure. Bridge loans in corporate finance are called gap financing, and are used to cover the time between redemption of issuance of one bond and its replacement by a new issue. They can also be operating loans for periods between LOI and acquisition, or quiet period and IPO. Bridge loan may contain decent proportion of pre paid interest ,sometimes as much as six months. If the home gets sold before that time, you may receive interest payments back but if it hasn't sold ,you may be required to continue payments.

INTRODUCTION TO COMPANY

Company Profile of SBI:

State Bank of India (SBI) is India's largest commercial bank. SBI has a vast domestic network of over 9000 branches (approximately 14% of all bank branches) and commands one-fifth of deposits and loans of all scheduled commercial banks in India. The State Bank Group includes a network of eight banking subsidiaries and several non-banking subsidiaries offering merchant banking services, fund management, factoring services, primary dealership in government securities, credit cards and insurance.

The eight banking subsidiaries are:

- Σ State Bank of Bikaner and Jaipur (SBBJ)
- Σ State Bank of Hyderabad (SBH)
- Σ State Bank of India (SBI)
- Σ State Bank of Indore (SBIR)
- Σ State Bank of Mysore (SBM)
- Σ State Bank of Patiala (SBP)
- Σ State Bank of Saurashtra (SBS)
- Σ State Bank of Travancore (SBT)

The origins of State Bank of India date back to 1806 when the Bank of Calcutta (later called the Bank of Bengal) was established. In 1921, the Bank of Bengal and two other Presidency banks (Bank of Madras and Bank of Bombay) were amalgamated to

form the Imperial Bank of India. In 1955, the controlling interest in the Imperial Bank of India was acquired by the Reserve Bank of India and the State Bank of India (SBI) came into existence by an act of Parliament as successor to the Imperial Bank of India. Today, State Bank of India (SBI) has spread its arms around the world and has a network of branches spanning all time zones. SBI's International Banking Group delivers the full range of cross-border finance solutions through its four wings - the Domestic division, the Foreign Offices division, the Foreign Department and the International Services division State Bank of India (SBI) (LSE:SBID) is the largest bank in India. If one measures by the number of branch offices and employees, SBI is the largest bank in the world. Established in 1806 as Bank of Calcutta, it is the oldest commercial bank in the Indian subcontinent. SBI provides various domestic, international and NRI products and services, through its vast network in India and overseas. With an asset base of \$126 billion and its reach, it is a regional banking behemoth. The government nationalized the bank in 1955, with the Reserve Bank of India taking a 60% ownership stake. In recent years the bank has focused on three priorities, reducing its huge staff through Golden hand shake schemes known as the Voluntary Retirement Scheme, which saw many of its best and brightest defect to the private sector, Computerizing its operations and, changing the attitude of its employees (through an ambitious programme aptly named 'Parivartan' which means change) as a large number of employees are very rude to customers.

History:

The State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation headquartered in Mumbai, Maharashtra. The company is ranked 216th on the Fortune Global 500 list of the world's biggest corporations as of 2017. It is the largest bank in India with a 23% market share in assets, besides a share of one-fourth of the total loan and deposits market.

The bank descends from the Bank of Calcutta, founded in 1806, via the Imperial Bank of India, making it the oldest commercial bank in the Indian subcontinent. The Bank of Madras merged into the other two "presidency banks" in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955.^[7] The Government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India.

The roots of the State Bank of India lie in the first decade of the 19th century when the Bank of Calcutta later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency

banks amalgamated on 27 January 1921, and the re-organized banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint stock company but without Government participation.

Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the Government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 16 regional hubs and 57 zonal offices that are located at important cities throughout India.

COMPANY PROFILE OF ICICI

ICICI Bank is India's second-largest bank with total assets of Rs. 3,849.70 billion (US\$ 82 billion) at September 30, 2008 and profit after tax Rs. 17.42 billion for the half year ended September 30, 2008. The Bank has a network of about 1,400 branches and 4,530 ATMs in India and presence in 18 countries. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. Our UK subsidiary has established branches in Belgium and Germany.

ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

History:

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI.

Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would

enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmadabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002.

Consequent to the merger, the ICICI group's financing a Code of Business Conduct and Ethics for its directors and employees. Banking operations, both wholesale and retail, have been integrated in a single entity. ICICI Bank has formulated

Σ COMPARSION BETWEEN

STATE BANK OF INDIA

VS

INDUSTARIAL CREDIT AND INVESTMENT CORPORATION OF INDIA

SBI stands for State Bank of India. It is a public sector institution (government owned), with a huge customer base all over India. It has seven associate banks operating under its SBI name. It has over thirteen thousand branches across India and in some selected international countries and a 56,000 ATM network across India. The Standard Bank of India „inherited“ the Bank of Calcutta, which was founded in 1806, and has been in existence for over two hundred years.

On the other hand, the ICICI is a private sector bank (privately owned), with a relatively smaller clientele base. It is one of the major banks in India (precisely the second largest), but much smaller than the SBI. It has 950 branches, with 3,500 branches across India. The bank has deposits of Rs 1.65 lakh crore compared to SBI's Rs 3.8 lakh crore (accumulated in a period of twelve years), racking up a net worth of Rs 22,000 against Rs 27,000 for the State Bank of India. This represents Rs 9 crore business generated by each ICICI employee per year, compared to Rs 3 crore worth of business per employee of the ICICI. While the State Bank pays 4.7 percent on deposits, and earns less on advances, the ICICI pays 0.7 less (4 percent), while

earning more on advances, and thus earns 0.4 percent more on assets than the SBI.

This is no surprise, as there is seemingly limitless access to funds from the government for the state owned SBI.

On money transfers from overseas accounts, with the SBI, once a transfer transaction is completed, you will be able to know the exchange rate used, and there are no restrictions on the amounts you can transfer a day. However, the ICICI transfer is somewhat different. After completion of a money transfer transaction, the exchange rate can only be known after five days, and there is a daily limit of \$5000 that can be transferred a day.

Although the SBI has generally performed well in the past, in recent years, the ICICI has seen very good performance, almost edging out the SBI in every aspect, especially financially. The financial years between 2001-2002 and 2005, and 2006, saw very strong gains for the ICICI bank. Its deposits grew by 200 percent, five times more than the SBIs, and while SBI's revenue grew by 30 percent and the ICICI bank's revenue grew by seven times that percentage. This trend means that ICICI's growth will eventually overtake SBI's in the future, in terms of deposits.

The SBI is a government owned bank (public sector), while ICICI is a privately owned bank (private sector).

The SBI is much older (more than 200 years old) and more established than the ICICI, which is less than 25 years old.

The SBI does not limit daily international transfer amounts, while the ICICI limits daily transfers to \$5000 a day. The SBI bank pays a higher percentage on deposits than the ICICI bank.

SBI HOME LOAN PRODUCT REVIEW:

1. SBI HI-FIVE LOAN

Amount

Maximum Rs.5 Lacks

Term

Maximum 120 months (i.e. 10 years) including moratorium period.

Interest Rates

8% p.a. fixed interest rate during first 60 months. 6¹st month onwards -
floating at 2.75% below SBAR

Or

Fixed interest at 1.25% below SBAR

Processing Fee

The revised processing fee structure (including service tax) from 9th November
2009 is as under :

Loan Amount Processing Fee (Revised)

Up to Rs.5 Lac Rs.1000/-

1.SBI EASY HOME LOAN – FOR LOAN AMOUNT UPTO Rs.

5 0 Lakhs

Interest Rate

Getting your dream home has become easier with SBI Easy Home Loan. With low interest rates for home loan under Rs. 50 Lakh category, SBI Easy ensures that you are not burdened with high interest for your home loan. Plus with over 12000 SBI branches nationwide you can get your Home Loan account parked at a branch nearest to your present or proposed residence.

- ∑ Interest rate during the first year (i.e. till first anniversary date from the date of first disbursement) is fixed at 8% p.a.
- ∑ Interest rate during next two years is fixed at 9% p. a
- ∑ Interest rate after three years may be Fixed or Floating as per the borrowers choice made at the time of sanction. If floating rate option is chosen, then the rate will be 2.5% below SBAR. If fixed rate option is chosen, then the rate will be .75% below SBAR prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause. (SBAR = 11.75% p.a.)

Processing Fee

The revised processing fee structure (including service tax) from 9th November 2009

is as under:

Loan Amount	Processing Fee (Revised)
Up to Rs.5 Lac	Rs.1000/-
Above Rs.5 Lac and up to Rs.10 Lac	Rs.2000/-
Above Rs.10 Lac and up to Rs.20 Lac	Rs.5000/-
Above Rs.20 Lac and up to Rs.50 Lac	Rs.7,000/-

SBI ADVANTAGE HOME LOAN – FOR LOAN AMOUNT ABOVE Rs. 50 LACKS

SBI Advantage Home Loan with competitive rates of interest is available for home loans above Rs.50 lakh. Plus with over 12000 SBI branches nationwide you can get your Home Loan account parked at a branch nearest to your present or proposed residence.

Interest Rate

- ∑ Interest rate during the first year (i.e. till first anniversary date from the date of first disbursement is fixed at 8% p.a.
- ∑ Interest rate during next two years is fixed at 9% p. a
- ∑ Interest rate after three years may be Fixed or Floating as per the borrowers choice made at the time of sanction. If floating rate option is chosen, then the rate will be 1.75% below SBAR. If fixed rate option is chosen, then the rate will be 0.75% below SBAR prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause.

Processing Fee

The revised processing fee structure (including service tax) from 9th November 2009 is as under:

Loan amount	Processing fee (revised)
Above Rs.50 Lac and up to Rs.1 Cr	Rs.8,000/-
Above Rs.1 Cr and up to Rs.5 Cr	Rs.10,000/-
Above Rs.5 Cr	Rs.20,000/-

INTEREST RATES:

- Σ Interest will be charged at the rates prescribed by the Bank from time to time.
- Σ Borrowers availing loans up to Rs. 75 lacks can opt for paying interest either at fixed rate or floating rate.
- Σ Interest on individual loans for over Rs. 75 lacks must be charged only at the floating rate interest linked to SBAR

HOME LOANS – INTEREST RATES

1. SBI HI-FIVE LOANS - FOR LOAN AMOUNT UPTO Rs. 5 Lacks

Interest Rates

8% p.a. fixed interest rate during first 60 months. 61st month onwards - floating at 2.75% below SBAR

(OR)

Fixed interest at 1.25% below SBAR

2. SBI EASY HOME LOAN – FOR LOAN AMOUNT UPTO Rs. 50 Lacks

Interest Rates

∑ Interest rate during the first year (i.e. till first anniversary date from the date of first disbursement) is fixed at 8% p.a. Interest rate during next two years is fixed at 9% p.a. Interest rate after three years may be Fixed or Floating as per the borrowers choice made at the time of sanction.

∑ If floating rate option is chosen, then the rate will be 2.5% below SBAR. If fixed rate option is chosen, then the rate will be,

∑ 75% below SBAR prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause. (SBAR = 11.75% p.a.)

2. SBI ADVANTAGE HOME LOAN – FOR LOAN AMOUNT

ABOVE Rs. 50 Lacks

Interest Rates

Interest rate during the first year (i.e. till first anniversary date from the date of first disbursement) is fixed at 8% p.a. Interest rate during next two years is fixed at 9% p.a. Interest rate after three years may be Fixed or Floating as per the borrower's choice made at the time of sanction. If floating rate option is chosen, then the rate will be 1.75% below SBAR. If fixed rate option is chosen, then the rate will be 0.75% below SBAR prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause.

ICICI HOME LOANS PRODUCT REVIEW:-

Eligibility

Home Loans can be availed by Resident Indian whether salaried or Self-Employed and also by Non- Resident Indian who are Salaried. For resident Indians the following are the eligibility norms:

- ∑ You must be at least 21 years of age when the loan is sanctioned.
- ∑ The loan must terminate before or when you turn 65 years of age or before retirement, whichever is earlier.
- ∑ You must be employed or self-employed with a regular source of income.

Loan Amount

With ICICI Bank Home Loans, you can get a home loan suited to your needs. The home loan amount depends on your repayment capability and is restricted to a maximum of 80% of the cost of the property or the cost of construction as applicable. A number of factors are taken into account when assessing your repayment capacity. Repayment capacity takes into consideration factors such as income, age, qualifications, number of dependants spouse's income, assets, liabilities, stability, continuity of occupation and savings history.

However, there are ways by which you can enhance your eligibility.

- Σ If your spouse is earning, put him/her as a co-applicant. The additional income shall be included to enhance your loan amount. In case of any co-owners they must necessarily be co-applicants.
- Σ The final amount to be sanctioned will depend on your repayment capacity. However, what you ultimately are entitled to will have to conform within the limits fixed for each loan.
- Σ Also, when the company looks at the total cost, registration charges, transfer charges and stamp duty costs are included

Documents required for the Sanctioning of Home Loan

ICICI Bank offers attractive interest rates and unbeatable benefits to ensure that you get the best deal without any hassles. Keeping your convenience in consideration, we ask you for minimal mandatory documents for the sanctioning of your Loan against Property. We require the following documents to sanction your Loan against Property:

- Σ Duly Completed Application Form
- Σ Photograph
- Σ Fee cheque
- Σ Photo Identity Proof
- Σ Signature Verification Proof
- Σ Residence Address Proof
- Σ Property documents as required

Document specific for Salaried

- Σ Last 3 months' salary slips
- Σ Form 16
- Σ Bank Statement for last 6 months from salary account
- Σ Repayment details on any existing loans or loan closure letter

Document specific for Self Employed

- Σ Income Tax Return / Computation of Total Income / Auditors Report / Balance Sheet /Profit & Loss Account certified by Chartered Accountant for last 2 years (3 years for Home Equity) (both for business and personal of partners/directors)
- Σ bank Statement for last 6 months from operating account
- Σ Repayment details on existing loans or loan closure letter
- Σ Board Resolution in case of a company
- Σ Proof of existence of the business entity
- Σ Proof of Office Address
- Σ Photo Identity Proof, Residence Address Proof, Signature Verification must be provided for all the main partners / directors

Disbursement of ICICI Bank Home Loan

- Σ ICICI Bank Home Loans disburses the loan amount after you identify and select the property or home that you are purchasing and submit the requisite legal documents.
- Σ While one may be under the impression that the list of documents asked for is rather extensive, please note that it is for customers good. Each and every single document asked for will be verified and checked to ensure your safety.
- Σ This may take some time but will complete all the legal and technical verifications to ensure that one has full rights to his home .

- Σ Your loan will be disbursed after you identify and select the property or home that you are purchasing and on your submission of the requisite legal documents.
- Σ On satisfactory completion of the above, on registration of the conveyance deed and on the investment of your own contribution, the loan amount (as warranted by the stage of construction) will be disbursed by ICICI Bank.
- Σ Property documents (as per P&D for respective states and as asked by empanelled lawyers for individual cases)
- Σ Facility Agreement.
- Σ Disbursal Request Form.
- Σ Cheque Submission Form - for Pre EMI and EMI cheques.
- Σ ECS or Auto Debit for ICICI Bank account holders or Post Dated Cheques for EMI / Pre EMI.
- Σ Personal Guarantor's Documents (PG Form, Photograph, Identity Proof, Address Proof, Signature Verification and Income documents, if applicable

Σ **Repayment Terms of Home Loan**

In order to make taking a home loan an easy process for you, ICICI Bank Home Loans address all your queries about the repayment terms of Home Loans with respect to tenure, home loan EMIs, methods of home loans EMI payments and pre-EMI interest.

What is the repayment tenure?

Repayment tenure is the tenure for the number of year for which the loan gets sanctioned. We offer you a wide range of options for the tenure of the loan. You can take a home loan for up to 20 years provided you do not reach the age of 65 years or retire within that period.

Σ How is the loan repaid?

All loan repayments are done via equated monthly installments (EMI).

Σ What is an EMI?

An EMI refers to an equated monthly installment. It is a fixed amount which you pay every month towards your loan. It comprises of both, principal repayment and interest payment.

Σ When does the repayment start?

EMI payments start from the month following the month in which the full disbursement has been made.

Σ How is the EMI paid?

The EMI is to be paid every month through post-dated cheques (PDCs) or Electronic Clearing System (ECS)*. If you are opting for PDCs, then you will have to provide 36 PDCs upfront. The PDCs are to be dated on the 1st of every month. However, if you receive your salary a few days later, we provide the flexibility of dating the cheques for the 10th of the month. In case you have an ICICI Savings account you can also go in for the facility of Auto Debit.

Σ **What if a PDC bounces?**

In the case of a bounced cheque or delayed payment, charges and outstanding dues will be charged as per the prevailing company policy. You can replace old PDCs with new ones within 5- 7 working days.

Σ **What is pre-EMI interest?**

In the case of part disbursement of the loan, monthly interest is payable only on the disbursed amount. This interest is called pre-EMI interest (PEMI) and is payable monthly till the final disbursement is made, after which the EMIs would commence.

Σ **When do I pay PEMIs?**

The first PEMI is payable by cheque by the end of the month in which the disbursement is made and each subsequent PEMI at the end of every month till the commencement of EMI. In case you have an ICICI Savings account you can also go in for the facility of Auto Debit.

Application Process of Home Loan

The moment you decide to buy a home, you can put in your application for a home loan. Yes, you can apply for a home loan even before you have selected the property.

The property need not even be in the same city where you are residing. The only condition being that ICICI Bank has Home Loans operations in both the cities.

Should there be a change in your financial status or plans, you can withdraw your sanction within 6 months of approval of your home loan.

However bank is always ready to assist its customers in the event of legitimate problems. And, we might reconsider this if we find that there are satisfactory reasons for the delay.

If it is refinancing you are interested in, it is possible within 6 months from the date of purchase of property.

Insurance Plans for Home Loan

Introducing exclusive Home Insurance plans, that can provide cover to your Home loan in the face of any unforeseen event happening to your life. In case of any of these happenings, your family will have the support of the insurance cover to pay for the outstanding Home loan, without being burdened by the loan EMI's.

ICICI Bank Home Loans presents "Home Safe Plus" & "Home Assure/Health Assure" two exclusive and innovative insurance plans to insure your Home

Home Safe plus (HSP)

Key Benefits of Home Safe Plus:

- Σ No medical checkup
- Σ Comprehensive insurance plan for individual, home and its contents
- Σ Single premium long-term insurance plan
- Σ Premium paid for the Critical Illness cover is eligible for tax benefits u/s 80D of the Income Tax act
- Σ Sum Insured remains constant throughout the policy period (loan O/S amount to come to bank, rest goes to individual)
- Σ Multiple applicants can be covered under the same loan
- Σ Simple application form

Home Assure /Health Assure Key Benefits of Home Assure/Health Assure:

- Σ Life Cover from Home Assure for the entire home loan tenure
- Σ Critical Illness cover from life threatening illnesses like cancer, coronary artery by pass, heart attack, kidney failure, stroke, major organ transplant
- Σ Special non-medical limits only for ICICI Bank Home Loans customers
- Σ Dual benefit to customers, Life Cover from Home Assure and Critical Illness Cover from Health Assure
- Σ Dual tax benefits, Section 80C benefits under Home Assure, Section 80D benefits under Health Assure
- Σ Simplified claim procedure

Home loan Schemes

As one of the leading home loan provider, ICICI Bank understands how special building a new home is for you and our Home Loan help you lay the foundation for your dream home.

ICICI offers you the most convenient home loan plans to suit your needs. With so many attractive features in every type of home loan we offer, creating the home you always wanted is no longer a distant dream. Some of our key benefits are:

- Σ Guidance throughout the process
- Σ Home loan amounts suited to your needs
- Σ Home Loan tenure up to 20 years
- Σ Simplified documentation
- Σ Doorstep delivery of home loan papers
- Σ Sanction approval without having selected a property.
- Σ Free Personal Accident Insurance (Terms & Conditions)
- Σ Insurance options for your home loan at attractive premium.

No matter what the requirement, we have an appropriate plan for you. Get the best deals, and finance your perfect home, only from ICICI Bank.

Changes in Floating Reference Rate (FRR)

Interest rate on ICICI Bank Home Loans is linked to the ICICI Bank Floating Reference Rate(FRR/PLR). ICICI Bank FRR has been reduced by 50 basis points (i.e. 0.50%) with effect from June 04, 2009. Thus the FRR has been reduced from 13.25% to 12.75%. ICICI Bank PLR has also been reduced by 50 basis points (i.e. 0.50%) with effect from June 04, 2009. Thus the PLR has changed from 15.25% to 14.75%. Accordingly, the Home Loan floating rate of interest has been reduced by 0.5%.

SBI Loan Calculator

SBI Home Loan EMI

Σ Home Loan EMI (or equated monthly installment) is a fixed amount of money paid by you to SBI against the loan taken. This is towards repayment of your loan to the bank. Every month, it is due on a fixed day of the month till your loan is fully paid back.

Σ With SBI offering Home Loans with loan tenure upto 30 years, the loan EMI can be as low as Rs. 787 per lakh, to make it more affordable and convenient to meet your needs. Lowest Rate of interest offered by SBI on Home Loan is 8.75%.

SBI Housing Loan EMI Calculator at different tenures

EMI for different Home Loan amounts and tenures @ 8.75% interest rate

LOAN AMOUNT (RS.)	LOAN TENURE		
	15years	20years	30years
25,00,000	24,986	22,093	19,668
50,00,000	49,972	44,186	39,335
75,00,000	74,959	66,278	59,003
10,00,00,000	99,945	88,371	78,670

Σ As you can see in the above table, for various loan amounts taken at the lowest rate of interest, EMI differs by loan tenure at 15, 20 and 30 years. Your EMI is higher when you take loan for a shorter tenure of 15 years and it is lower when you apply for a higher tenure of 30 years.

Σ Your EMI consists of both interest payment and principal repayment. Though the EMI amount will remain constant, every month the proportion of interest payment and principal repaid within each EMI is different. With every EMI, the proportion of principal repayment in EMI keeps increasing and the interest component in EMI keeps reducing.

Use EMI Calculator to calculate your interest on home loan at different tenure.

The above table shows the longer your loan tenure, lower is the EMI you pay on the loan. However, your total interest outgo is significantly higher in a long tenure loan. In the above example, if you take a Rs. 1 Lakh loan for a period of 30 years, you pay the lowest EMI of Rs. 787 . However, you pay an interest of Rs. 1.83 Lakh on a Rs. 1 Lakh loan.

In contrast, if you take a Rs. 1 Lakh loan from SBI at the lowest loan rate offered for a period of 15 years, you pay a higher home loan EMI of Rs. 2,064 and pay an interest of only Rs. 23,840 which is less than half of what you paid in a 30 year loan. Hence, it is advisable to choose your loan tenure wisely as longer tenure means high interest expenses.

Equated Monthly Installments or EMIs is an equal amount that you will pay to SBI bank to repay your principal and interest. You can use SBI Bank Home Loan Calculator to an ammotisation schedule of your home loan repayment and get an estimate of your EMI to help you evaluate the loan amount, tenure and interest rate you should opt for. Currently, SBI bank lowest home loan EMI is Rs.787 per lakh of loan amount taken for 30 years at the lowest rate of 8.75%.

SBI Home Loan Details

Purpose of Loan: SBI house loan is taken to purchase, construct a home, renovate your existing home.

Key Features

Loan available for both salaried and self-employed. Special rates for women borrowers.

Borrowers within the age group of 18 and 70 years.

Security: Mortgage of property you are planning to purchase, renovate or construct.

Loan to Value Ratio of 90%.

Loan Tenure can range from 5 to 30 years.

Interest rates in the range of 8.75% to 9.15%.

Lowest EMI of Rs. 787 per lakh

Processing Fees: 0.50% of loan amount Minimum Rs. 10,000 Maximum Rs. 10,000.

Special schemes: SBI offers customized home loan interest rates and schemes for special category of borrowers including women borrowers, senior citizens, NRIs etc.

Some of the special loan offers of SBI are:

SBI Magazine

SBI Yuva Home Loan

State Bank of India Realty Home Loan

SBI Pal Home Loan

SBI Tribal Plus

SBI Gram Niwas Home Loan

Sahyog Niwas Home Loan

SBI Flexi pay Home Loan

NRI Home Loan

SBI Privilege Home Loan

SBI Shaurya Home Loan

SBI Bridge Loan

Home Loan for Self Employed

SBI Home Loan Top Up

SBI Reverse Mortgage Loan

Factors Affecting SBI Home Loan EMI

Loan amount – This is the amount borrowed by a borrower from SBI. If you apply for a higher loan amount, your monthly EMI will be high. SBI gives minimum home loan of Rs. 15 Lakh up to an amount of Rs. 10 Cr.

Interest rate - Interest rates is the rate charged by SBI on your home loan. Higher interest rate increases your housing loan EMI which will increase the total cost of the loan. SBI current home loan interest rate starts at 8.75%. Do complete market research and compare rates and calculate EMI online before you apply for a home loan.

Loan tenure – This is the period in which you can repay your home loan in SBI. Longer loan tenure means lower housing loan EMI. Loan term can be determined by your age at the time of loan sanctioning and your retirement age. Generally, SBI offers house loan for a maximum tenure of 30 years.

SBI EMI calculator formula

$$P * r * (1+r)^n / [(1+r)^n - 1]$$

Here is an illustration of how SBI Home Loan EMI is calculated:

In above formula,

P = Loan amount. This can range from Rs. 15 Lakh to Rs. 10 Cr

r = Rate of interest per month. Current rate is 8.75%, which is linked to SBI 1 Year MCLR, which is currently 8.55%. Last revised on 10th Jan 19

n = tenure in month.

For SBI, this can be 360 months SBI Home Loan Interest Rate Calculator

Typically, Home Loan EMIs constitute as large proportion of a households monthly expenditure to pay for a long period. Being a long tenure loan, the total interest you pay on a housing loan for 30 years can be more than the original loan amount you have borrowed from the bank. SBI Home Loan Interest Rate Calculator can help you calculate the interest rate you are eligible for and also, the total interest you will pay during the loan duration.

∑ Some of factors that are used for interest rate calculation are:

Occupation of the borrowers: Banks charge slightly higher interest rate on home loans for self employed as compared to that on loans for salaried borrowers.

Amount of the Loan: SBI offers loan of up to Rs. 30 Lakh at 8.75% and loans of above Rs. 30 Lakh at rates ranging from 8.90% to 9.15%.

Type of loan opted for: The bank also offers different rates on its various loan schemes such as fixed rate home loan, floating rate home loan and home loan with overdraft facility etc.

Existing bank customers: ICICI Bank may also offer lower interest to its existing bank account holders to maintain its relationship.

Tips to decide the right amount of EMI

Ascertain the amount you need to borrow:

It is important that before approaching a bank for loan, you need to estimate the amount of loan you need to borrow. The amount of loan you need to borrow is a function of the value of the property and available funds with you. Remember house loan is a long term loan, and hence it is advisable to minimize your loan amount to the extent possible. Limit your loan amount to the balance funds you need to fund the property after accounting for your own available funds. Also, based on the EMI you can service, try to opt for lowest tenure of loans as long tenure loans result in huge interest outgo.

Review your current obligations:

Before, taking a loan it is advisable to do an evaluation of your current monthly expenses including any EMI obligations that you have on your current loans. The assessment will help you to estimate the amount of EMI you can pay comfortably after taking into account other obligations. Once you arrive at the EMI you can service, you can also decide on the right loan tenure.

Calculate your SBI home loan eligibility:

- Σ Your home loan eligibility is a function of value of the property and assessment of your repayment capacity based on your monthly income. SBI provides a LTV up to 90% and expects the borrower to fund the remaining value of property by own money. For example, at its lowest LTV 90 %, SBI would expect its borrowers to provide margin money of 10%. In case this margin payment is higher than your available funds as estimated by you, you might need to look for higher LTV loans, which may carry higher interest rates and hence, will result in higher EMIs.

- Σ SBI will also estimate your Fixed Income to Obligations Ratio to ascertain the maximum EMI you can service based on your current income and other monthly expenses. The bank applies a certain ratio to your income to estimate your monthly expenses and then adds your other EMI obligations to calculate your fixed obligations. The proportion of fixed income to your calculated fixed obligations gives your FOIR. SBI lends up to a maximum FOIR of 0.65 . Based on the FOIR, the bank will also estimate the maximum amount of EMI you can service as a borrower. SBI's assessment may be different from your own assessment. Any differences in assessment may require you to readjust your loan amount requirement. You may also consider paying back other running short term loans to improve your eligibility.

Will the SBI home loan EMI remain constant or change in future? What happens in case of increase or decrease in interest rate?

- Σ Typically, the home loan EMI remains unchanged unless the customer requests for a change and the same is approved by SBI subject to its eligibility conditions (note that nominal charges may apply for effecting a customer initiated change in EMI)

- Σ In case the floating rate of interest on your home loan increases, SBI will typically keep the EMI constant but increase the loan tenure. So, you will pay the same EMI but for a longer duration. In case the interest rates increase to an extent that the revised loan tenure is more than the maximum permissible by SBI, the bank may increase your EMI amount.

- Σ For partly disbursed loans availed under trenched EMI scheme, your loan EMI will increase with each disbursement.

Will home loan EMI change in case of prepayment?

- Σ SBI allows prepayment at nil charges or penalty in case of floating rate home loans.

- Σ When you make a prepayment, the outstanding balance of principal amount on your home loan reduces. In this case, you may choose to either keep the EMI the same and reduce the loan tenure (that is paying off the loan faster) or reduce the EMI and keep the loan tenure the same (that is paying lesser amount every month). It is beneficial to keep the EMI constant and reduce the loan tenure as you pay less interest to the bank in this option.

Why should I calculate SBI loan EMI before taking a loan?

It is advised to calculate home loan EMI prior to taking a home loan. There are several benefits of calculating your SBI housing loan EMI as discussed below –

In case EMI comes out to be more than your monthly budget, then you have the chance to apply for a lower loan amount which fits your monthly budget and makes EMI easily affordable.

- Σ If you already know the EMI you have to pay each month, then you can plan your spends accordingly
- Σ Based on the EMI amount, you can opt for making prepayment of your home loan in future when you have surplus amount.

ICICI Bank Loan Calculator

ICICI Home Loan EMI

Σ Home Loan EMI (or equated monthly installment) is a fixed amount of money paid by you to ICICI Bank against the loan taken. This is towards repayment of your loan to the bank. Every month, it is due on a fixed day of the month till your loan is fully paid back.

Σ With ICICI Bank offering Home Loans with loan tenure up to 30 years, the loan EMI can be as low as Rs. 812 per lakh, to make it more affordable and convenient to meet your needs. Lowest Rate of interest offered by ICICI Bank on Home Loan is 9.10%.

ICICI Bank Housing Loan EMI Calculator at different tenures

EMI for different Home Loan amounts and tenures @ 9.10% interest rate

LOAN AMOUNT(Rs.)	LOAN TENURE		
	15 years	20years	30years
25,00,000	25,506	22,654	20,296
50,00,000	51,011	45,308	60,591
75,00,000	76,517	67,963	40,887
10,00,000	1.02 lakh	90,617	81,183

Σ As you can see in the above table, for various loan amounts taken at the lowest rate of interest, EMI differs by loan tenure at 15, 20 and 30 years. Your EMI is higher when you take loan for a shorter tenure of 15 years and it is lower when you apply for a higher tenure of 30 years.

Σ Your EMI consists of both interest payment and principal repayment. Though the EMI amount will remain constant, every month the proportion of interest payment and principal repaid within each EMI is different. With every EMI, the proportion of principal repayment in EMI keeps increasing and the interest component in EMI keeps reducing.

Use EMI Calculator to calculate your interest on home loan at different tenure

Home Loan EMI for Rs. 1 Lakh loan amount at lowest 9.10% interest rate

offered by ICICI Bank for different tenures

	5 years	10years	15years	30years
ICICI Bank EMI for a loan amount Rs. 1 lakh at 9.10%	2,081	1,272	1,020	812
Total amount you pay back to the bank including principal and interest	1.25 lakh	1.53 lakh	1.82 lakh	2.92 lakh
Interest you have to pay tenure	24,860	52,640	83,600	1.92 lakh

The above table shows the longer your loan tenure, lower is the EMI you pay on the loan. However, your total interest outgo is significantly higher in a long tenure loan. In the above example, if you take a Rs. 1 Lakh loan for a period of 30 years, you pay the lowest EMI of Rs. 812. However, you pay an interest of Rs. 1.92 Lakh on a Rs. 1 Lakh loan.

In contrast, if you take a Rs. 1 Lakh loan from ICICI Bank at the lowest loan rate offered for a period of 15 years, you pay a higher home loan EMI of Rs. 2,081 and pay an interest of only Rs. 24,860 which is less than half of what you paid in a 30 year loan. Hence, it is advisable to choose your loan tenure wisely as longer tenure means high interest expenses.

ICICI Bank Home Loan Calculator

Equated Monthly Installments or EMIs is an equal amount that you will pay to ICICI bank to repay your principal and interest. You can use ICICI Bank Home Loan Calculator to an amortizations schedule of your home loan repayment and get an estimate of your EMI to help you evaluate the loan amount, tenure and interest rate you should opt for. Currently, ICICI bank lowest home loan EMI is Rs.812 per lakh of loan amount taken for 30 years at the lowest rate of 9.10%.

ICICI Home Loan Details

- Σ **Purpose of Loan:** ICICI house loan is taken to purchase, construct a home, renovate your existing home.
- Σ **Key Features**
 - Loan available for both salaried and self employed. Special rates for women borrowers.
 - Borrowers within the age group of 21 and 60 years.
 - Security: Mortgage of property you are planning to purchase, renovate or construct.
 - Loan to Value Ratio of 80%.
 - Loan Tenure can range from 5 to 30 years.
 - Interest rates in the range of 9.10% to 10.30%.
 - Lowest EMI of Rs. 812 per lakh

Σ **Processing Fees:** 1.00% of loan amount Minimum Rs. 5,000 Maximum Rs. 5,000

Σ **Special schemes:** ICICI offers customized home loan interest rates and schemes for special category of borrowers including women borrowers, senior citizens, NRIs etc.

Some of the special loan offers of ICICI are:

- Express Home Loan
- ICICI Bank Sara Rural Housing Loan
- ICICI Bank Extra Home Loan
- Pradhan Mantri A was Yojna
- Land Loan for Self Construction
- NRI Home Loan
- PRAGATI HOME LOANS
- ICICI Home Loan Balance Transfer
- HOME IMPROVEMENT LOAN
- ICICI Home Loan Top up

Factors Affecting ICICI Bank Home Loan EMI

Σ **Loan amount** – This is the amount borrowed by a borrower from ICICI Bank. If you apply for a higher loan amount, your monthly EMI will be high. ICICI Bank gives minimum home loan of Rs. 15 Lakh upto an amount of Rs. 10 Cr.

Σ **Interest rate** - Interest rates is the rate charged by ICICI Bank on your home loan. Higher interest rate increases your housing loan EMI which will increase the total cost of the loan. ICICI Bank current home loan interest rate starts at 9.10%. Do complete market research and compare rates and calculate EMI online before you apply for a home loan.

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ICICI EMI calculator formula

$$P * r * (1+r)^n / [(1+r)^n - 1]$$

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In above formula,

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r = Rate of interest per month. Current rate is 9.10%, which is linked to ICICI 1 Year MCLR, which is currently 8.80%. Last revised on 01st Jan 19

n = tenure in month. For ICICI Bank, this can be 360 months

ICICI Home Loan Interest Rate Calculator

Typically, Home Loan EMIs constitute as large proportion of a household's monthly expenditure to pay for a long period. Being a long tenure loan, the total interest you pay on a housing loan for 30 years can be more than the original loan amount you have borrowed from the bank. ICICI Home Loan Interest Rate Calculator can help you calculate the interest rate you are eligible for and also, the total interest you will pay during the loan duration. Some of factors that are used for interest rate calculation are:

- Σ **Occupation of the borrowers:** Banks charge slightly higher interest rate on home loans for self-employed as compared to that on loans for salaried borrowers.
- Σ **Amount of the Loan:** ICICI Bank offers loan of up to Rs. 30 Lakh at 9.10% and loans of above Rs. 30 Lakh at rates ranging from 9.20% to 9.30%.
- Σ **Type of loan opted for:** The bank also offers different rates on its various loan schemes such as fixed rate home loan, floating rate home loan and home loan with overdraft facility etc.
- Σ **Existing bank customers:** ICICI Bank may also offer lower interest to its existing bank account holders to maintain its relationship.

Tips to decide the right amount of EMI

Ascertain the amount you need to borrow:

It is important that before approaching a bank for loan, you need to estimate the amount of loan you need to borrow. The amount of loan you need to borrow is a function of the value of the property and available funds with you. Remember house loan is a long term loan, and hence it is advisable to minimise your loan amount to the extent possible. Limit your loan amount to the balance funds you need to fund the property after accounting for your own available funds. Also, based on the EMI you can service, try to opt for lowest tenure of loans as long tenure loans result in huge interest outgo

Review your current obligations:

Before, taking a loan it is advisable to do an evaluation of your current monthly expenses including any EMI obligations that you have on your current loans. The assessment will help you to estimate the amount of EMI you can pay comfortably after taking into account other obligations. Once you arrive at the EMI you can service, you can also decide on the right loan tenure.

Calculate your ICICI Bank home loan eligibility:

Your home loan eligibility is a function of value of the property and assessment of your repayment capacity based on your monthly income. ICICI Bank provides a LTV upto 80% and expects the borrower to fund the remaining value of property by own money. For example, at its lowest LTV 80 %, ICICI Bank would expect its borrowers to provide margin money of 20%. In case this margin payment is higher than your available funds as estimated by you, you might need to look for higher LTV loans, which may carry higher interest rates and hence, will result in higher EMIs.

ICICI Bank will also estimate your Fixed Income to Obligations Ratio to ascertain the maximum EMI you can service based on your current income and other monthly expenses. The bank applies a certain ratio to your income to estimate your monthly expenses and then adds your other EMI obligations to calculate your fixed obligations. The proportion of fixed income to your calculated fixed obligations gives your FOIR. ICICI Bank lends up to a maximum FOIR of 0.65 . Based on the FOIR, the bank will also estimate the maximum amount of EMI you can service as a borrower. ICICI Bank's assessment may be different from your own assessment. Any differences in assessment may require you to readjust your loan amount requirement. You may also consider paying back other running short term loans to improve your eligibility.

Will the ICICI home loan EMI remain constant or change in future? What happens in case of increase or decrease in interest rate?

- Σ Typically, the home loan EMI remains unchanged unless the customer requests for a change and the same is approved by ICICI Bank subject to its eligibility conditions (note that nominal charges may apply for effecting a customer initiated change in EMI)

- Σ In case the floating rate of interest on your home loan increases, ICICI Bank will typically keep the EMI constant but increase the loan tenure. So, you will pay the same EMI but for a longer duration. In case the interest rates increase to an extent that the revised loan tenure is more than the maximum permissible by ICICI Bank, the bank may increase your EMI amount. For partly disbursed loans availed under tranches EMI scheme, your loan EMI will increase with each disbursement.

Will home loan EMI change in case of prepayment?

- Σ ICICI Bank allows prepayment at nil charges or penalty in case of floating rate home loans.

- Σ When you make a prepayment, the outstanding balance of principal amount on your home loan reduces. In this case, you may choose to either keep the EMI the same and reduce the loan tenure (that is paying off the loan faster) or reduce the EMI and keep the loan tenure the same (that is paying lesser amount every month). It is beneficial to keep the EMI constant and reduce the loan tenure as you pay less interest to the bank .

Why should I calculate ICICI Bank loan EMI before taking a loan?

It is advised to calculate home loan EMI prior to taking a home loan. There are several benefits of calculating your ICICI Bank housing loan EMI as discussed below

–

- Σ In case EMI comes out to be more than your monthly budget, then you have the chance to apply for a lower loan amount which fits your monthly budget and makes EMI easily affordable.
- Σ If you already know the EMI you have to pay each month, then you can plan your spends accordingly
- Σ Based on the EMI amount, you can opt for making prepayment of your home loan in future when you have surplus amount

CHAPTER 2 - RESEARCH METHODOLOGY

3.1 STATEMENT OF PROBLEM

Housing loan is one of the emerging portfolio of both Private and Public sector banks.

The national housing policy of the Government of India emphasize that the incentive to be given to customers buying residential properties

.Accordingly in income tax there has been concessions / tax sops for the individual buyer for home use. 60-65% Tax sops given by the government for housing loans have been instrumental in driving growth in this sector. The government allows tax benefits to both the home loan consumer and the lender.

A home loan consumer is allowed tax deductions on the following:

- Interest paid on home loan: As per Sec 24 (b) of the Income Tax Act, 1961, annual interest payments up to Rs 1,50,000 on housing loans can be claimed as a deduction from taxable income.

- Principal repayment of home loan: Sections 80 C read with section 80 CCE of the Income Tax Act, 1961 says from gross total income, an Rs.1,00,000 of principal repayment on home loan is allowed as a deduction.

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Under Section 36 (1) (viii) of the Indian Income Tax Act 1961, with respect to any special reserve created and maintained by a financial corporation engaged in providing long-term finance for construction or purchase of houses in India for residential purposes, a maximum amount of 20 per cent of the profits (earlier it was 40 per cent) obtained from such business (figured in the head „Profits and Gains of Business or Profession“)

and carried to such special reserve is tax deductible. This deduction is available only up to double the total amount of the company's paid-up share capital and its general reserves. Since the loan is given by banks by mortgaging the property, hence there is significant security to banker for disbursing the loan. However the customers have different opinions about the housing loan scheme. The present investigator noticed from the review of the literature that there are very few studies to examine financial performance of the banks in housing loan sector.

“Due to availability of affordable houses on the periphery of metros and in Tier-II and

3.2 OBJECTIVES OF THE STUDY

The objectives of the study are:

1. evaluating and comparing the Home Loan portfolios of Public and Private sector banks;
2. evaluating and comparing the Home Loan disbursement of public and Private sector banks;
3. knowing customers attitude or response on the home loans schemes;
4. knowing customers' satisfaction level while dealing with the Bank;
5. suggesting strategies to increase customer satisfaction, understand the reasons for default.

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The section of methodology consists of a short depiction of sample of the study and demographic composition, the population of the study, the instruments utilized to collect data, the study design, the procedures used for data collection, and the details of the methods and techniques used for analyzing the data.

3.3 RESEARCH DESIGN

Methodology is a body of knowledge by that researchers enable to explain what they did and how they analyze. All these methods indicate their limitations and resources help to identify their assumptions relating to their potentialities to research advances (Miller, 1983). According to him a research design is an under-pin which help to the types of questions that can be addressed and the nature and give of the evidence to others so they can come to know that how it is generated (Clark et al. 1984). In other hand lots people they have issue of research methodology as according to them it is a important to any study or research. By this we can give appropriation between data, research paradigm and collection methods etc. all the aspects that help

to research findings. According to Churchill (1979) research design give a guide line to researcher for the collection and analysis. We can say that research design plays an important role but with a significant link between the theory and argument, which come by empirical data collected by researcher for study (Nachmias and Nachmias 2008). An option of research design always help to come in a decisions with given or fixed range of dimensions of 67 the research process (Bryman and Bell 207, p.40), but it also come with influences methodological procedures which can be data collection, data sampling and statistical packages.

This research design is exploratory and comparative to determine the customer satisfaction towards house loan scheme offered by public sector and private banks.

3.4 SOURCES OF DATA

A- Primary Source:- Approaching the home loan customers of public sector banks and private sector banks and obtaining relevant details by questionnaires, personally.

- Interviews (Tool: Questionnaire): An interview is a technique of data collection that involves respondents' oral questioning. Interviews can be conducted with varying degree of flexibility.

- Structured Interview: Structures Interviews are conducted with a fixed list of questions in a standard sequence that have mainly fixed or pre categorized answers. So as to make the questions always answered in the same circumstances, a structured interview was standardizes with regard to questions for respondents' survey. This significantly minimized the impact of context, where the answers to a survey question can depend 68

on the type of foregoing questions. Although effects of context cannot be averted, it is often desirable that all respondents are held across constantly. This technique to gather information is very limited. To follow the structured method, mostly the surveys are carried out either telephonically or even the person is leaned.

The questionnaire was intricately designed to tap the factors which affect the performance of bank and try to analysis the customers" satisfaction level. The first part gathered information about the personal profile of the respondents which included their age, education, marital status, and their working profile. Part II was about their loan reasons, amount and loan before after Part III to know level of satisfaction, level of motivation, level of involvement and work compatibility.

B- Secondary Source:- Data has been collected from statistical bulletin published by varies organizations journals, periodicals, newspapers, annual reports of the respective nationalized banks, annual report of Reserve Bank of India (RBI), RBI Bulletin, trend and progress of banking (annual publication of RBI), SBI,ICICI,HDFC,PNB etc. (bulletin, annual report) and all publications and reports published by respective nationalized banks annually. Personally approaching the SBI & ICICI banks and obtaining relevant details.

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3.5 DATA COLLECTION TOOLS

As already pointed out, while collecting data multi-methods were used in the present study using both quantitative and qualitative techniques, with more emphasize on quantitative method. To examine and explain constructs relationship, questionnaire survey method was applied as the main instrument in data collection.

A- Sample Size:-

Sample size is 300 customers from leading banks, availing home loan.

ICICI, HDFC, LIC and SBI, PNB officers and staff also shall be interviewed to seek their response on house loan schemes.

B- Sampling Technique:-

The survey was conducted using cluster or a convenient sampling technique.

3.6 STATISTICAL TOOLS UTILIZED

Reliability was assessed by using Cronbachs alpha technique. The factor structure of all the involved concepts was analyzed by conducting Principal Component Analysis (PCA). To examine the coorelation of variables 70 with each other as hypothesized, correlation coefficient (r) analysis was conducted Line graphs, Pie charts, Bar graph etc. have been used to present the data. For analyzing descriptive and inferential statistics as well, SPSS's Version 20 has been used. The tests to be used shall be X2, correlation and factor analysis.

A- Plan of Analysis:-

For the analysis of the data collected, tables have been used. For producing data clearly we have used pie-charts and graphs as statistical tools. For representing data neatly and efficiently, percentages and averages have also been used.

B- Development of Data Collection Instrument:-

Survey Method and Field Activity is the mode for collecting data.

Personal interview is the basis of Primary data collection. The questionnaire has been prepared by the Researcher according to the requirement of the collected data.

C- Population targeted for this study is defined as follows:- Elements :

Home loan bank customers

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Extent : New Delhi Period

: 2008-2010

3.7 HYPOTHESIS TESTING

test that customer satisfaction there exist relationship between and amongst Researcher had hypothesis for the topic

H0. There is similarity in customer's satisfaction between private sector banks and public sector banks.

To know customer's satisfaction amongst the private sector banks and public sector banks. The hypothesis was tested by using F test.

H1. There is similarity in socio-economic categories of customer on their satisfaction of private sector banks and public sector banks on home loan By factor analysis test

H2: There is similarity amongst customer satisfaction towards the bankers and availing of the loan

By correlation customer satisfaction towards the banks and availing of the loan **72**

3.7.1 Sampling

The investigator collected the list of person who had availed home loan for the last three years from the following two public sector banks (PNB and UB) and from the private sector banks(ICICI and HDFC), the questionnaire after doing a pilot study on 60 customers After do validation of questionnaire the investigator contacted through them personally to the customers living in South Delhi.

CHAPTER 3 - LITERATURE REVIEW

1. Dr. M. Kumar swam Jay prasad D.(2014),The study was based on Customer Relationship Management in Kaveri Grameena Bank, The respondents have shown unfavourable views with respect to banking experience, transaction accuracy and promptness. However, customers share positive views concerning bank trustworthiness and accuracy of banking solutions. Therefore, it can be argued that customers trust their bank. Indeed, trust is seen as a critical construct in a range of discipline areas including CRM. Further, within the realm of relationship marketing, trust has been recognized as an important variable for the success of relationships in the banking sector.

2. N. Satghiya ,(2013),A study on customer relationship management practises (with reference to sale district ,In the study The total number of Public Sector Banks,

5

Private Sector Banks, in the Salem district has been taken into consideration to decide about the number of banks for the purpose of study in each category. 2. By the above process totally 22 banks were chosen for the purpose of study. From each of the 22 banks 25 customers were selected as respondents. 3. The branches situated in the North, South and Central part of the Salem district were covered for the purpose of study. The findings says that the customers of banking industries strongly believed that advertisements, reports, communication, guidance, may I help you counter, information pamphlets and ombudsman committee role to achieve the customer satisfaction. The customer staff relationships in CRM depend upon employees personal touch with their customers and employee s performance.

3. Navin kumar Mishra and Vijay kumar Pandey (may 2013) in their paper “customer satisfaction –A comparison of public and private sector banks of India in which research is done to compare public and private sector banks of India by evaluating their customer

satisfaction. This research is mainly based on primary data which has been collected through a well-structured questionnaire (adapted from three different studies). The questionnaire has been distributed to 350 different respondents on different chosen locations. This paper makes a useful contribution as there are very low number of studies has been conducted in India on such areas like price, technology, reliability, customer service, location and infrastructure. Their findings says that most of people prefer to deal with public sector banks due to safety and reliability factors.

4. Uppal R K and Poonam Rani (2012), in their study titled Customer Perception towards Better Banking Services in India- An Empirical Study, analyzed customer perception about CRM, reliability, accuracy, security and transparency among the customers of public sector banks, Indian private sector banks and foreign banks in Amritsar, Punjab. They have found that most of the customers are satisfied with banking services and that customer satisfaction can be improved by ensuring more speed in rendering transactions and giving prompt services.

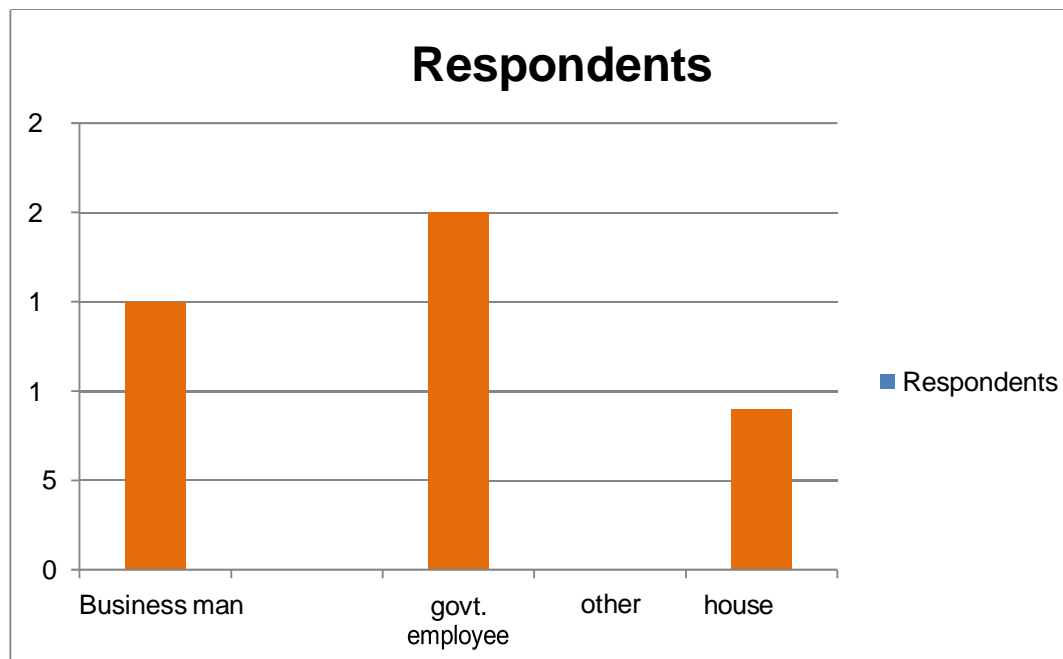
5. Jaspal Singh and Gagan deep Kaur .(2009) in “Determinants of Customer Satisfaction: An Empirical Study of Select Indian (Universal) Banks” in which they investigate the determinants of customer satisfaction of Indian(Universal) banks. Data was collected from a sample of 180 respondents using convenience sampling technique. Factor analysis results reveals that responsiveness, tangibles, services innovation, reliability and accessibility, assurance, pricing and other facilities, problem solving capability and convenient working hours are the main determinants of customer satisfaction .

CHAPTER 4 – DATA ANALYSIS AND INTERPRETATION AND PRESENTATION

INTERPRETATION: SBI

1. What is your occupation?

Business man	15
Student	0
Government employees	20
Other	0
House wife	9

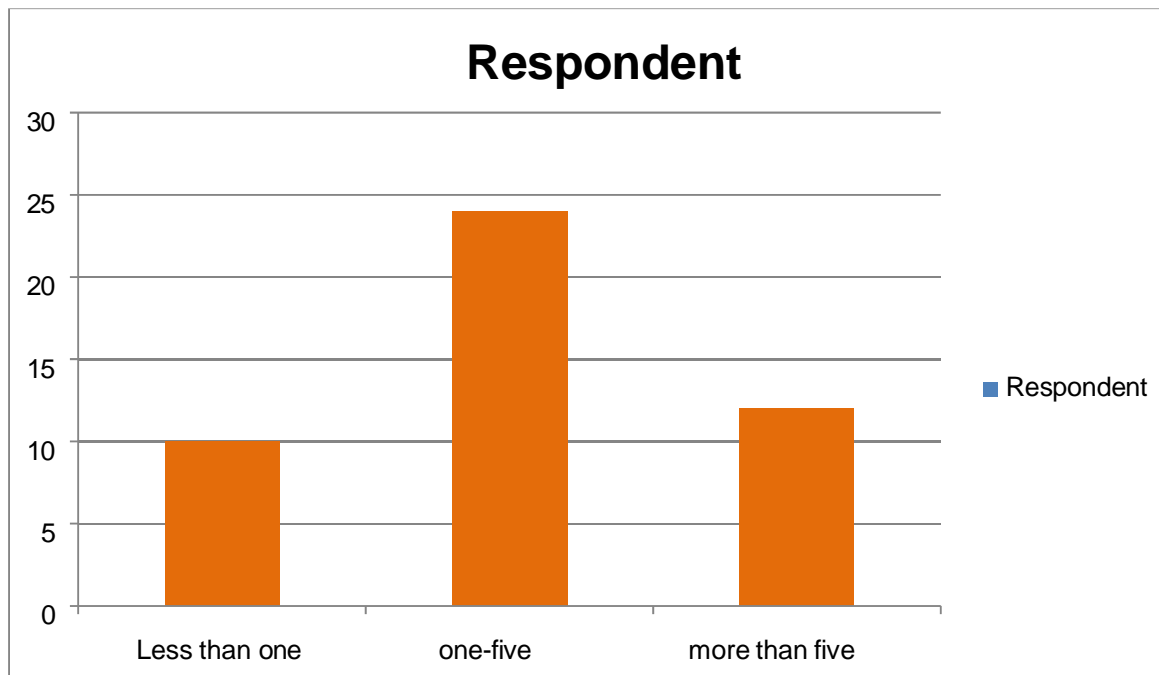


Interpretation:

1. Total Number of Respondents was 46. :-
2. 0 of our Respondents was Students.
3. 22 of the Respondents were into government employees
4. 15 of our Respondents were Businessman.
5. 9 of our Respondents were Housewives.
6. None of our Respondent belonged to the category of others.
7. 4 respondents did not answer

2. From how many years you are associated with this bank?

Less than one year	10
One-five year	24
More than five year	12

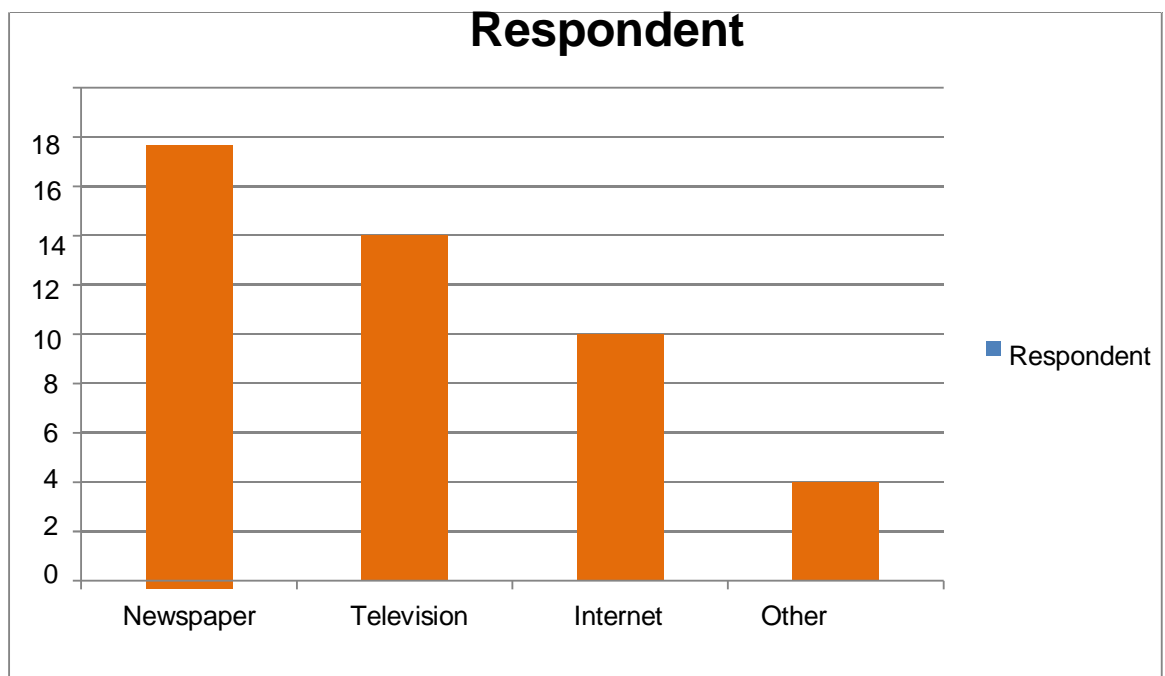


Interpretation

- Σ Total Number of Respondents was 46
- Σ 10 persons are associated less than 1 year
- Σ 24 persons are associated from 1-5 years.
- Σ 12 persons are associated from more than 5 year

3. How do you come to know about the home loans chem soft hat bank?

Newspaper	18
Television	14
Internet	10
Other sources	4

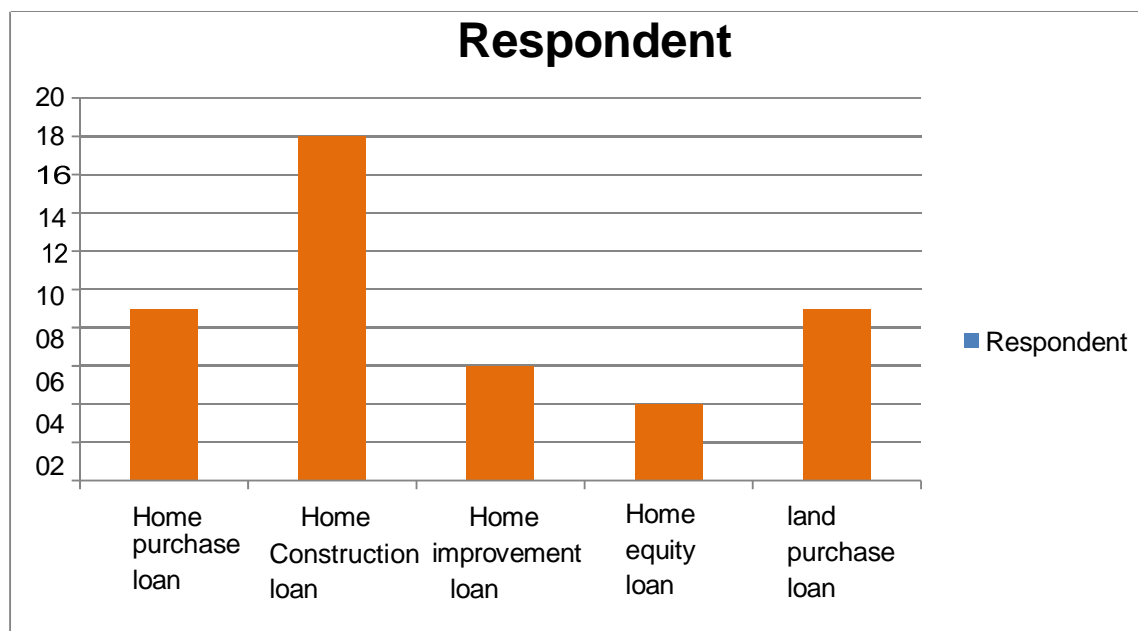


Interpretation

- Σ Total Number of Respondents was 46
- Σ 18 persons came to know from newspaper
- Σ 14 persons came to know from television
- Σ 10 persons came to know from internet
- Σ 4 persons came to know from other resources

4. Are you aware of the set type so home loans?

Home purchase loan	9
Home construction loan	18
Home improvement loan	6
Home equity loan	4
Land purchase loan	9

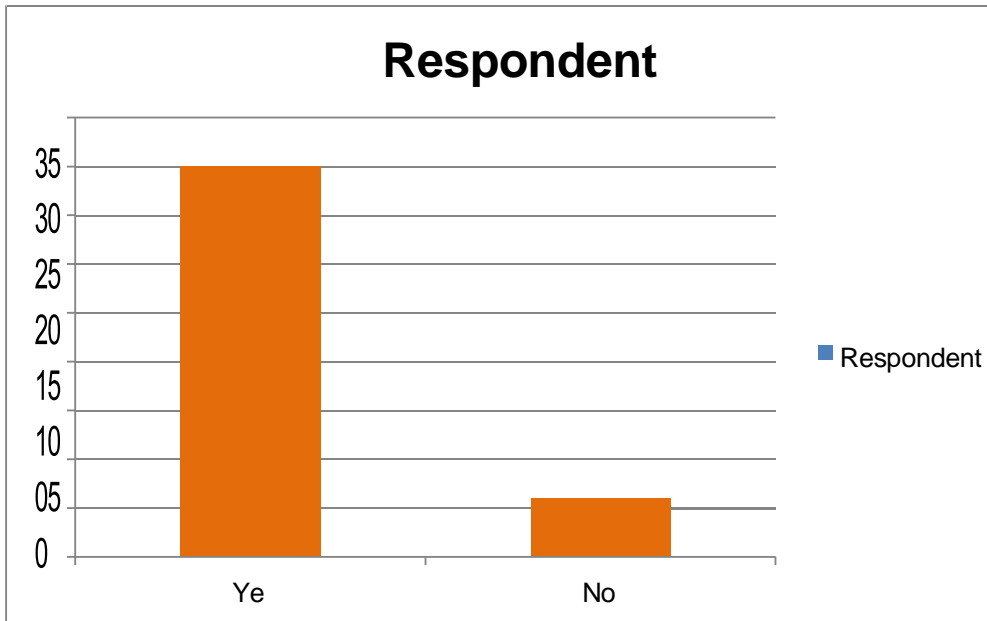


Interpretation

- Σ Total Number of Respondents was 46.
- Σ Only 4 persons know home equity loan.
- Σ Many of peoples know home construction loan.
- Σ 9 peoples know home purchase loan.

5. Are you aware all terms and conditions of home loans?

Yes	40
No	6

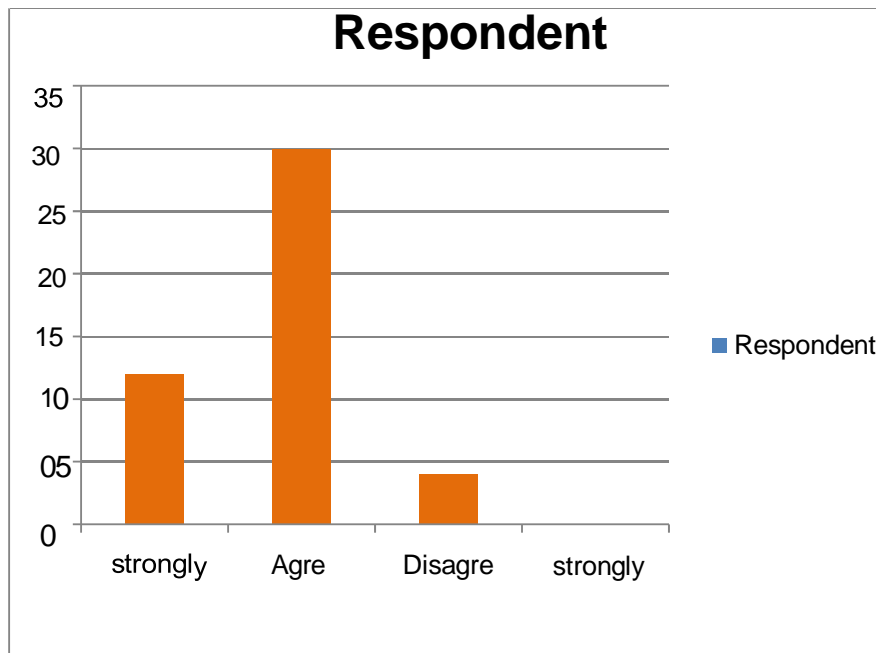


Interpretation

- Σ Total Number of Respondents was 46.
- Σ Many of persons know all terms and conditions of home loan i.e. 40.
- Σ 6 persons had not know properly about all terms and condition

6. Are you satisfied with the interest rate changes by your bank?

Strongly agree	12
Agree	30
Disagree	4
Strongly disagree	0

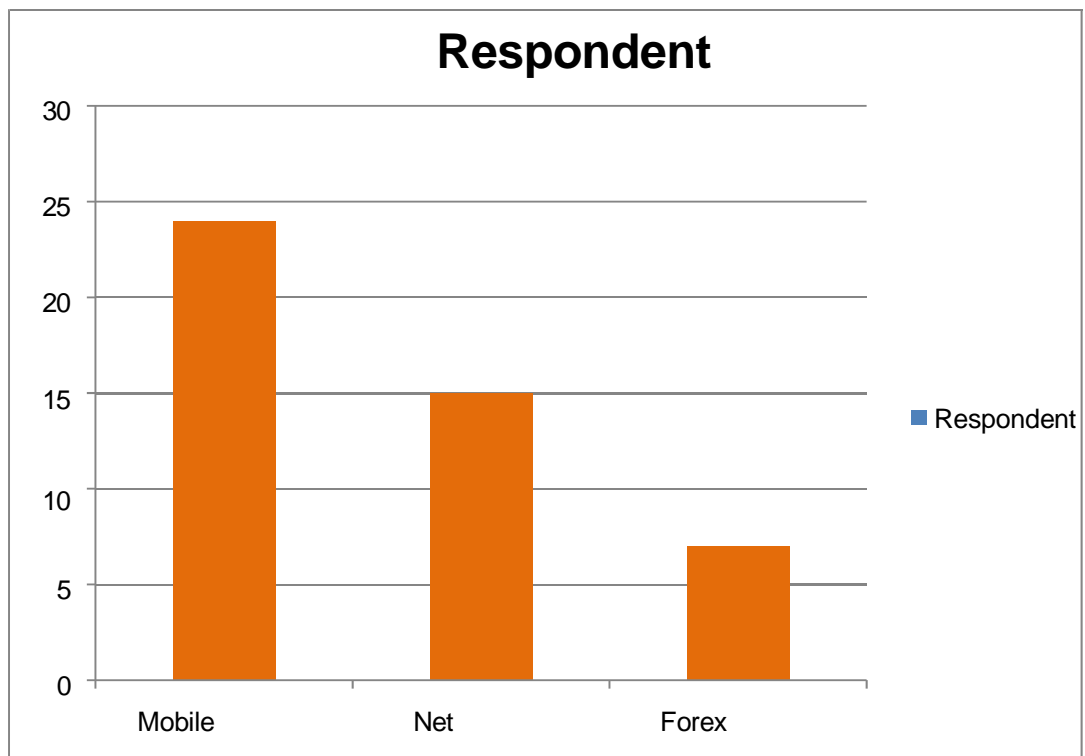


Interpretation

- Σ Total Number of Respondents was 46
- Σ 12 among all consumers are strongly agreed by interest rate of the bank.
- Σ 30 among all consumers are agreed by interest rate of the bank .
- Σ 4 among all consumers are disagreed by interest rate of the bank .
- Σ 0 among all consumers are strongly disagreed by interest rate of the bank.

7. Your bank offers which type of services?

Mobile banking	24
Net banking	15
Forex Banking	7

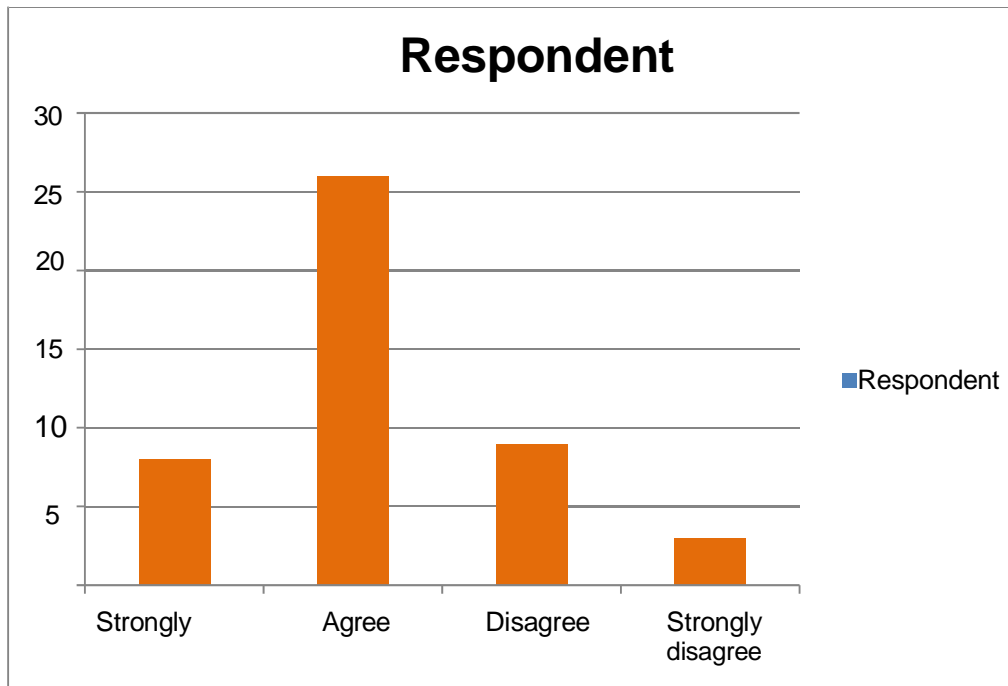


Interpretation

- Σ Total Number of Respondents was 46.
- Σ 24 persons said that bank offer mobile banking services.
- Σ 15 said that bank offer net banking services.
- Σ Only 7 persons said that bank offer Forex banking services

8. Do you agree that your bank loan processing is fast?

Strongly Agree	8
Agree	26
Disagree	9
Strongly Disagree	3

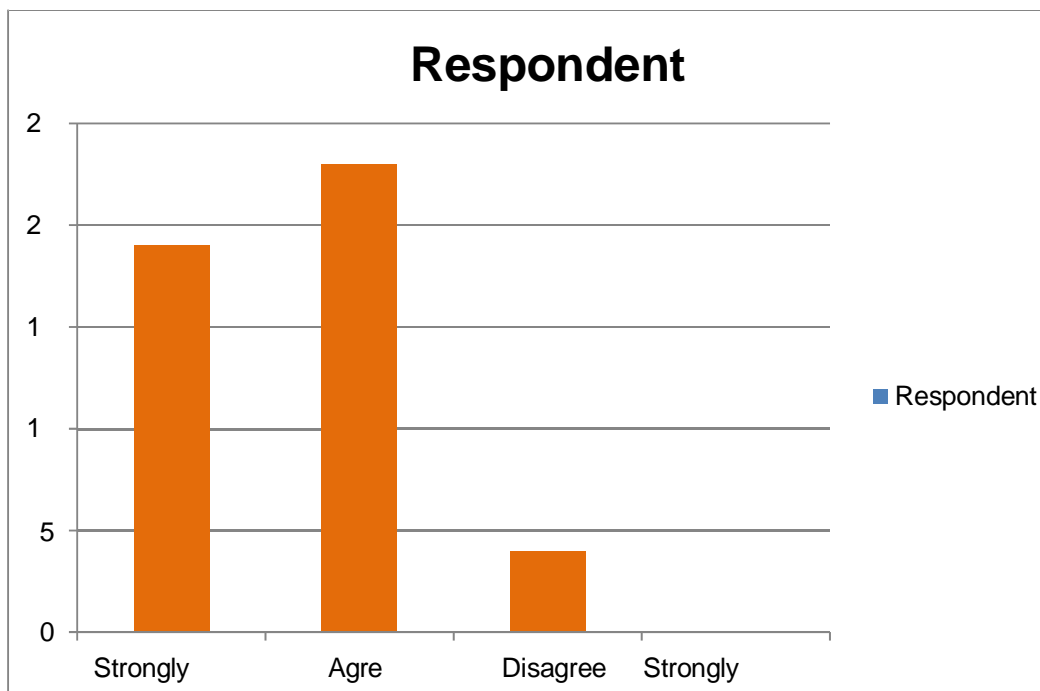


Interpretation

- Σ Total Number of Respondents was 46.
- Σ 8 persons strongly agree that bank home loan processing is fast.
- Σ 26 persons agree that bank home loan processing is fast.
- Σ 9 persons disagree that bank processing is fast.
- Σ 3 persons strongly disagree that bank processing is fast.

9. Are you satisfied with the employee behavior at the bank?

Strongly agree	19
Agree	23
Disagree	4
Strongly Disagree	0

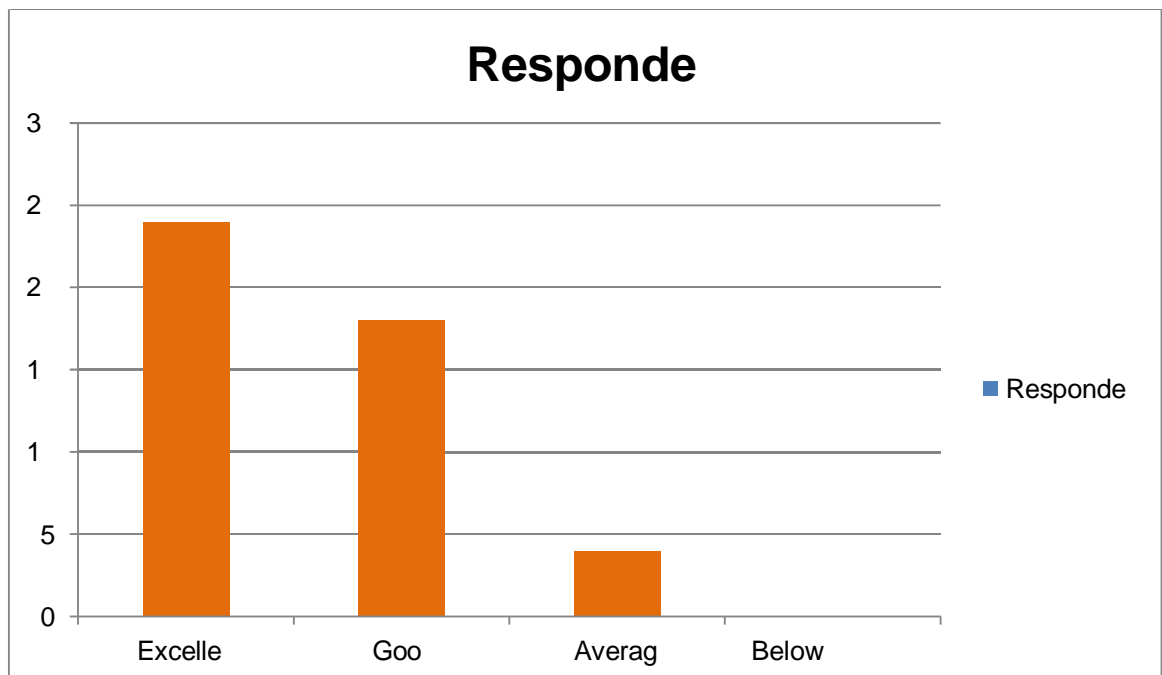


Interpretation

- Σ Total Number of Respondents was 46.
- Σ 19 persons very satisfied with the employee behavior of the bank.
- Σ 23 persons satisfied with the employee behavior of the bank.
- Σ 4 persons disagree with the employee behavior of the bank.
- Σ No one disagrees with the employee behavior of the bank

10. Which grade you want to give of home loan schemes of the bank?

Excellent	24
Good	18
Average	4
Below average	0



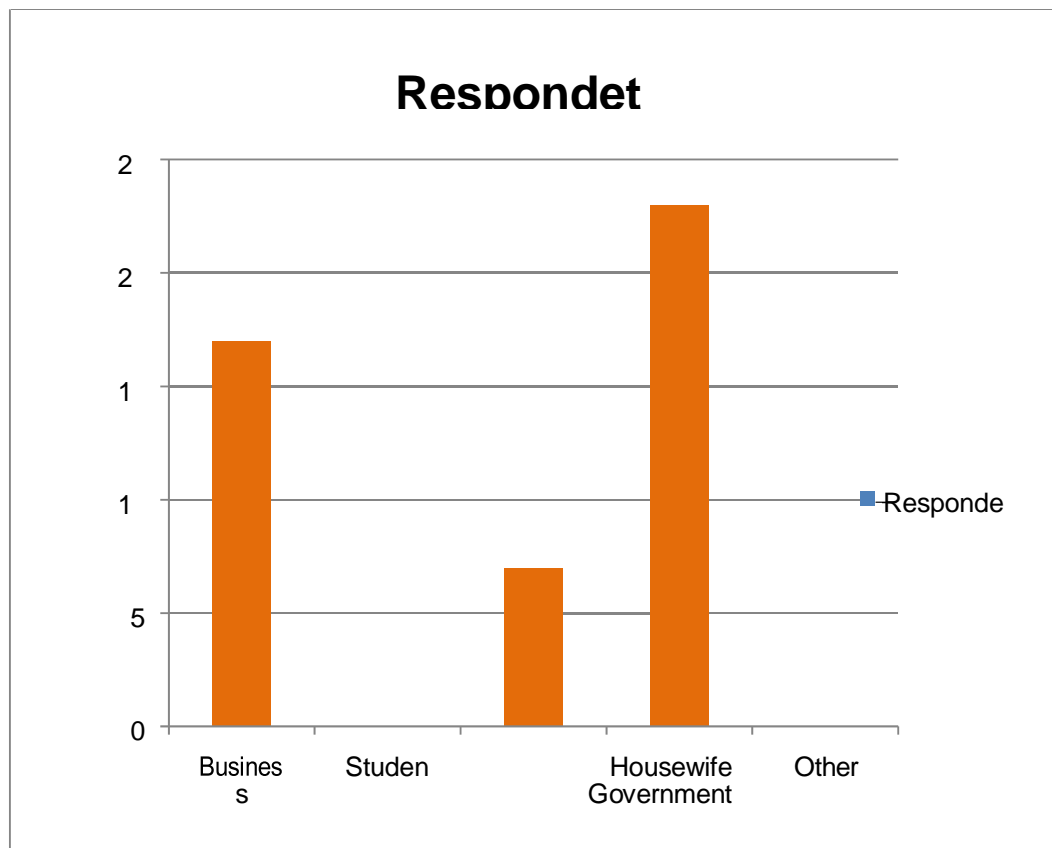
Interpretation

- Σ Total Number of Respondents was 46.
- Σ 24 persons give excellent grade of the bank.
- Σ 18 persons gave good grade to the bank.
- Σ Only 4 persons give average grade to the bank.
- Σ No none give below average grade to the bank.

INTERPRETATION: ICICI

1. What is your occupation?

Business Man	17
Student	0
Housewife	7
Government Employee	23
Other	0



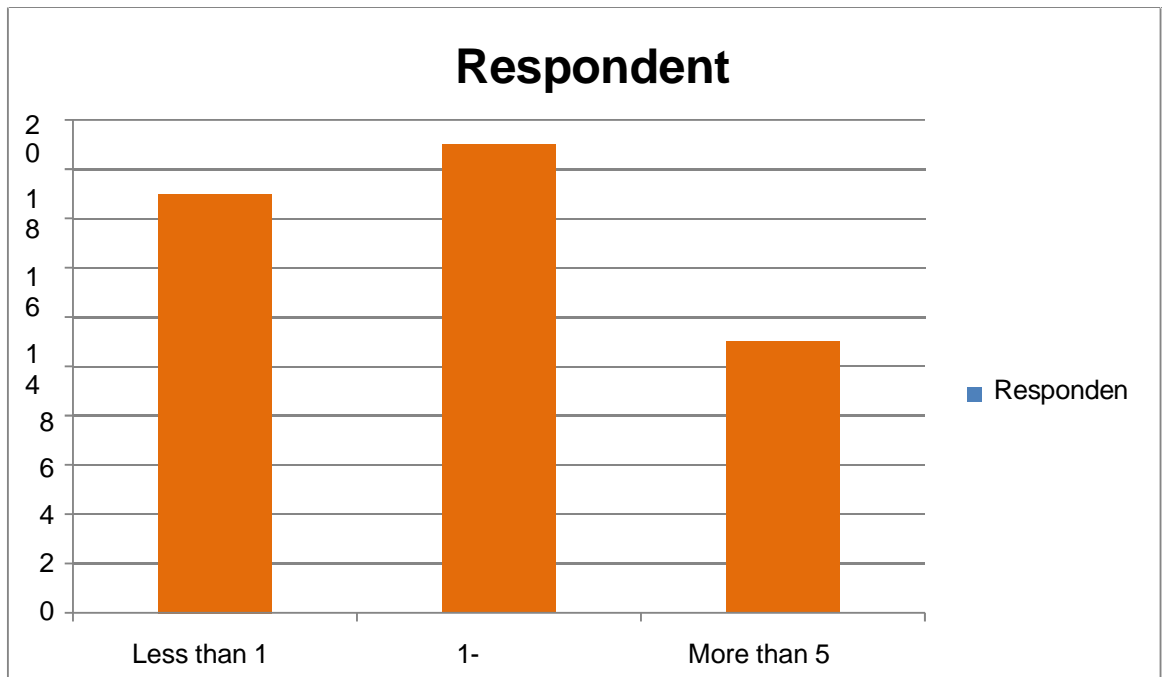
Interpretation:-

- Σ Total Number of Respondents was 47.
- Σ 0 of our Respondents was Students.
- Σ 23 of the Respondents were into government employees
- Σ 17 of our Respondents were Businessman.
- Σ 7 of our Respondents were Housewives.

- Σ None of our Respondent belonged to the category of others.
- Σ 3 respondents did not answer.

2. From how many years you are associated with this bank?

Less than 1 year	17
1-5years	19
More than 5 years	11

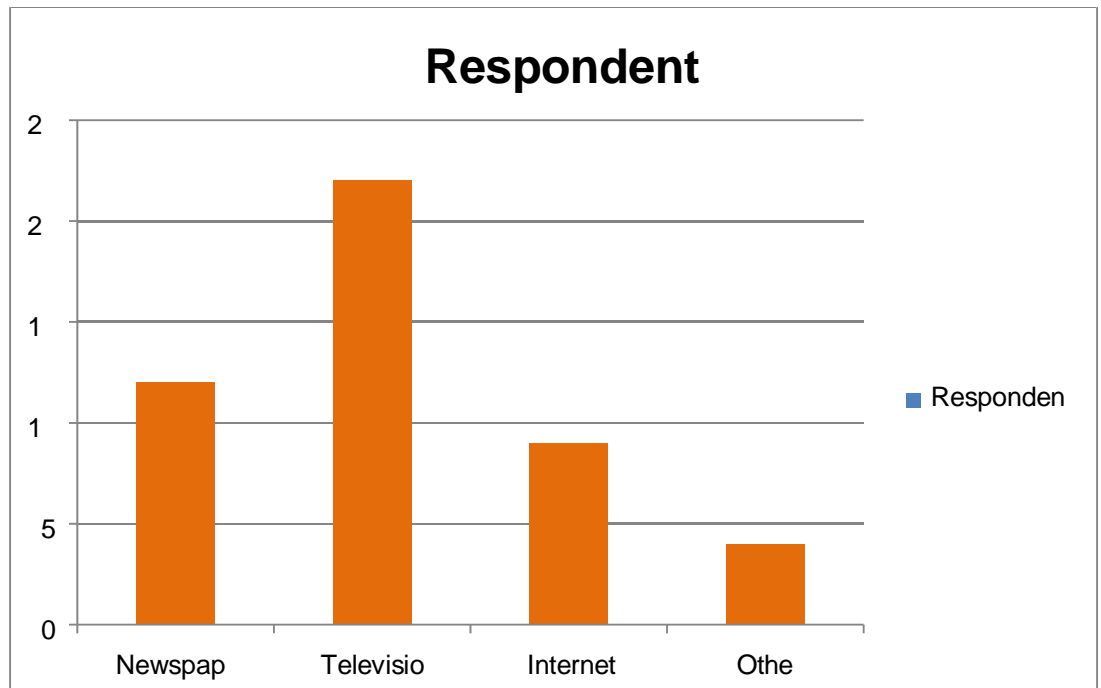


Interpretation:

- Σ Total Number of Respondents was 47
- Σ 17 persons are associated less than 1 year
- Σ 19 persons are associated from 1-5 years.
- Σ 11 persons are associated from more than 5years.
- Σ

3. How do you come to know about the home loan schemes of that bank?

News paper	12
Television	22
Internet	9
Other	4



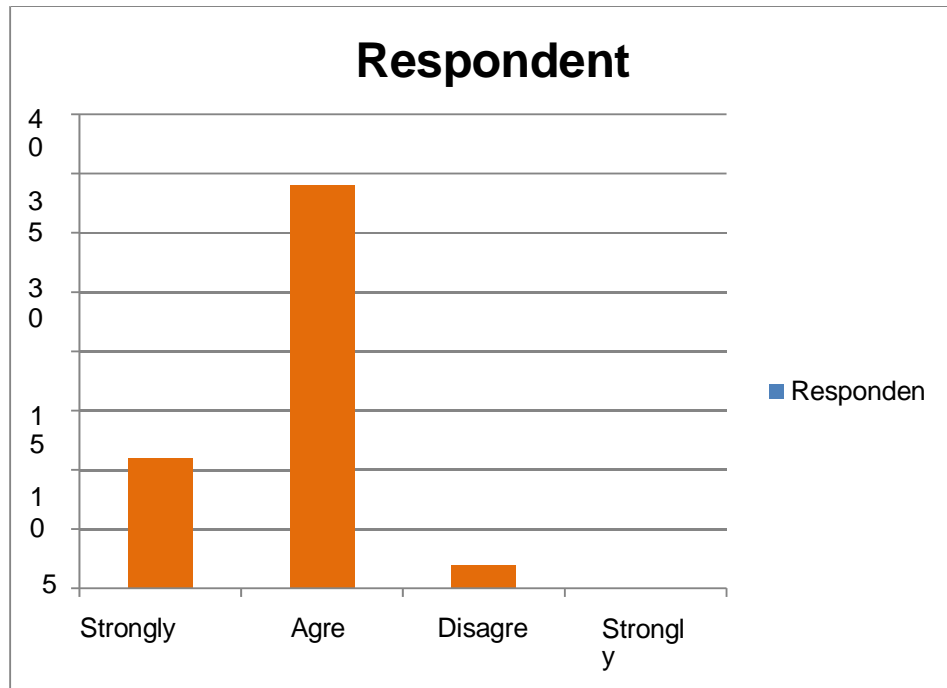
Interpretation:-

- Σ Total Number of Respondents was 47
- Σ 12 persons came to know from newspaper
- Σ 22 persons came to know from television
- Σ 9 persons came to know from internet.
- Σ 4 persons came to know from other resources.

4. Are you satisfied with the internet rate charges by your bank?

Strongly agree	11
Agree	34

Disagree	2
Strongly Disagree	0

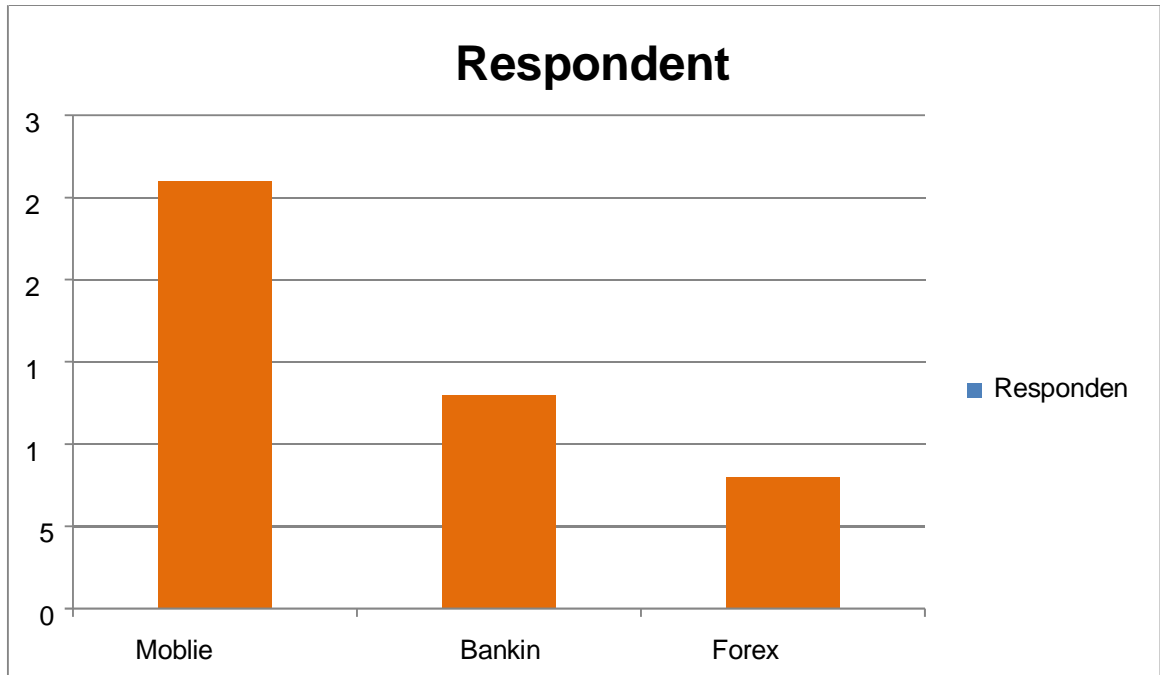


Interpretation

- Σ Total Number of Respondents was 47.
- Σ 11 among all consumers are strongly agreed by interest rate of the bank.
- Σ 34 among all consumers are agreed by interest rate of the bank.
- Σ 2 among all consumers are disagreed by interest rate of the bank.
- Σ 0 among all consumers are strongly disagree by interest rate of the bank.

5. Your bank offers which type of services?

Mobile banking	26
Banking	13
Forex Banking	8

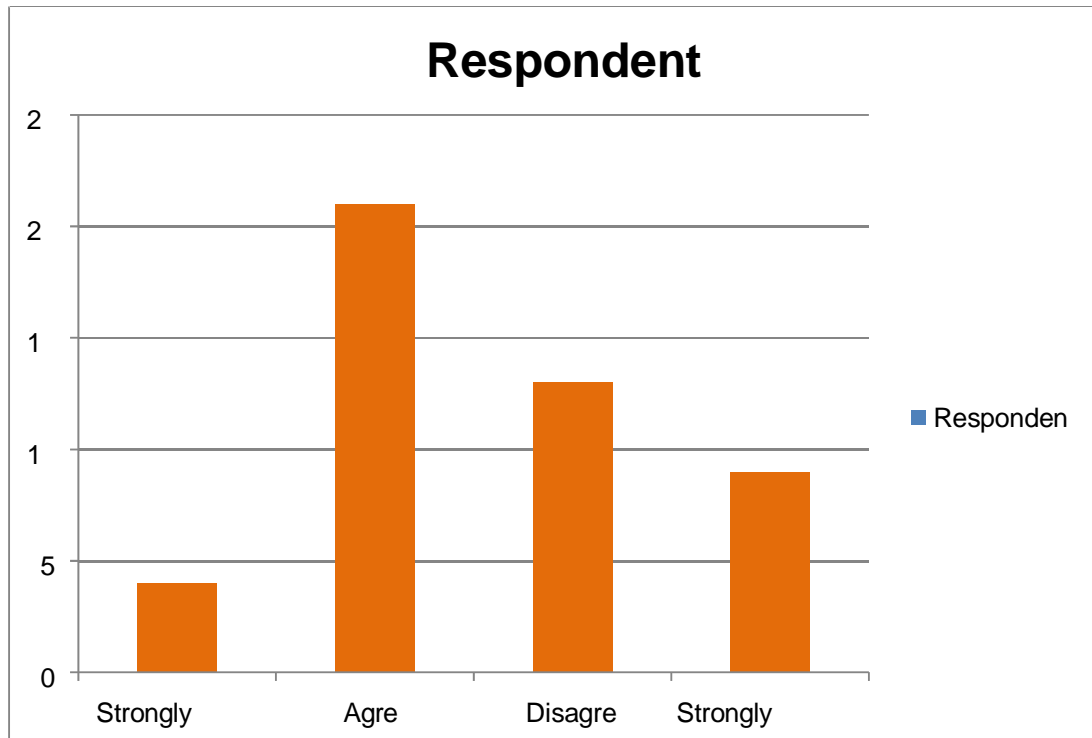


Interpretation

- Σ Total Number of Respondents was 47.
- Σ 26 persons said that bank offer mobile banking services.
- Σ 13 said that bank offer net banking services.
- Σ Only 8 persons said that bank offer Forex banking services.

6. Do you agree that your bank loan processing is fast?

Strongly agree	4
Agree	21
Disagree	13
Strongly Disagree	9

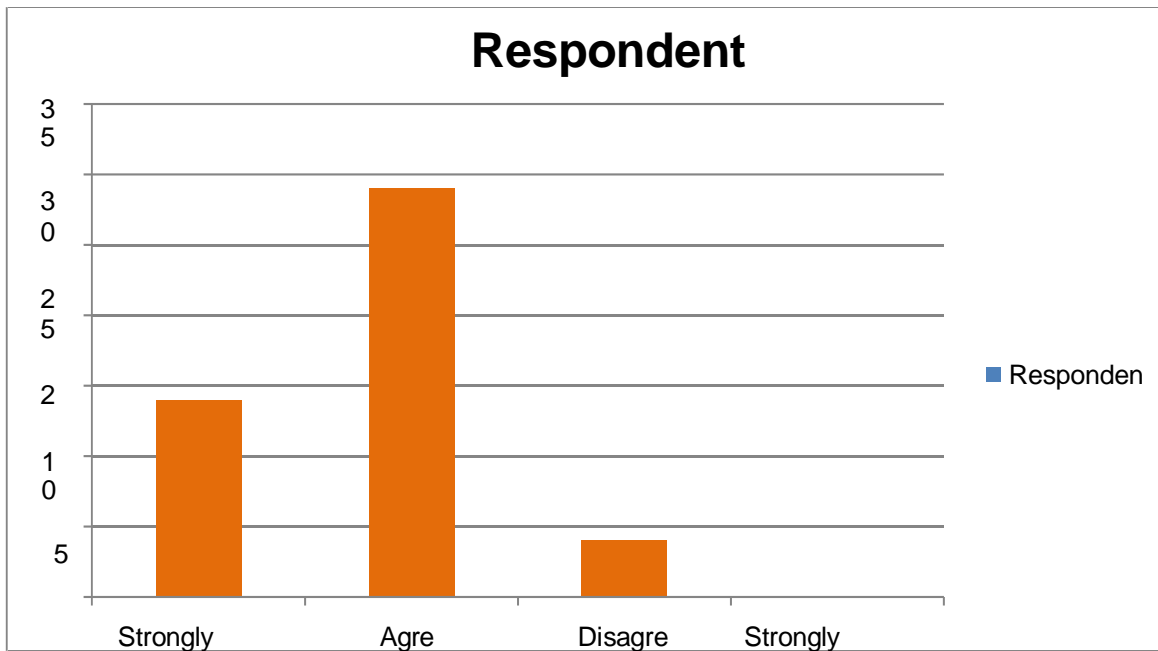


Interpretation

- Σ Total Number of Respondents was 47.
- Σ 4 persons strongly agree that bank home loan processing is fast.
- Σ 21 persons agree that bank home loan processing is fast.
- Σ 13 persons disagree that bank processing is fast.
- Σ 9 persons strongly disagree that bank processing is fast.

7. Are you satisfied with the after home loan services provided by your bank are best as compare to other bank?

Strongly agree	14
Agree	29
Disagree	4
Strongly Disagree	0

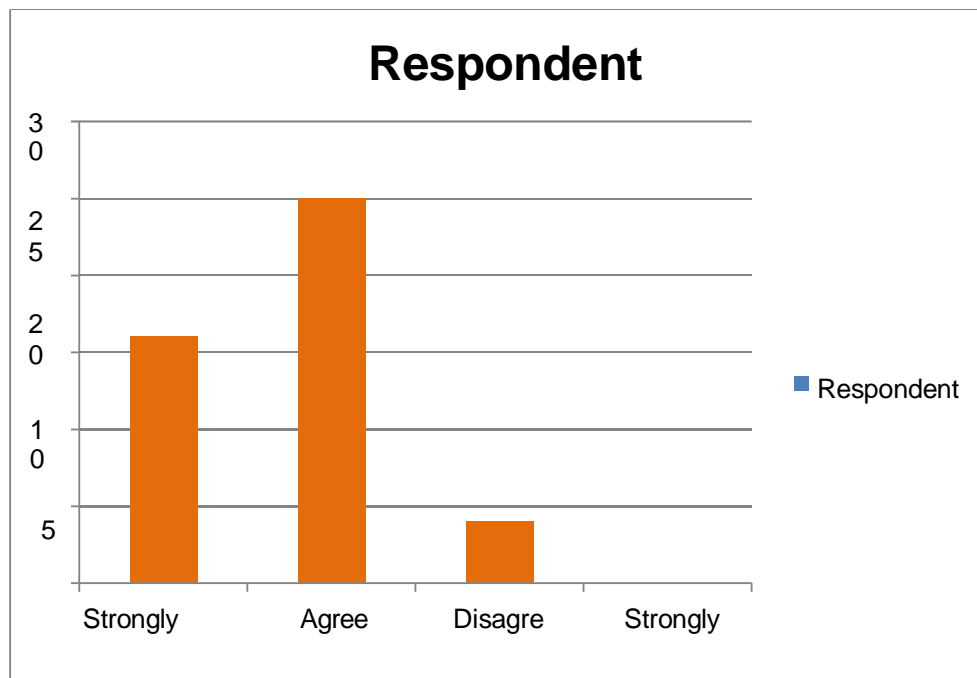


Interpretation

- Σ Total Number of Respondents was 47.
- Σ 14 among all consumers are strongly agreed by after sale services of the bank.
- Σ 29 among all consumers are agreed by after sale services of the bank
- Σ 4 among all consumers are disagreed by after sale services of the bank
- Σ 0 among all consumers are strongly disagreed by after sale services.

9. Are you satisfied with the employees behavior of the bank?

Strongly agree	16
Agree	25
Disagree	4
Strongly Disagree	0

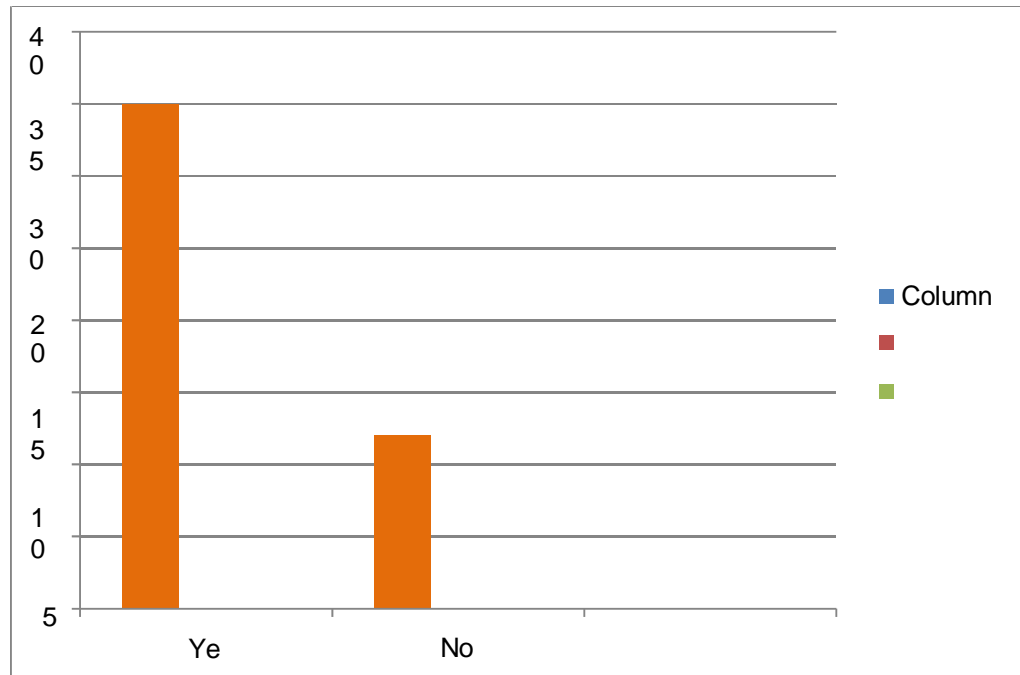


Interpretation

- Σ Total Number of Respondents was 47.
- Σ 16 persons very satisfied with the employee behavior of the bank.
- Σ 25 persons satisfied with the employee behavior of the bank.
- Σ 6 persons disagree with the employee behavior of the bank.
- Σ No one is disagree with the employee behavior of the bank.

10. Does the bank give any discount upon loan services?

Yes	35
No	12



Interpretation

- Σ Total Number of Respondents was 47.
- Σ 35 persons said that bank give discount upon loan services.
- Σ Only 12 persons said that bank does not give any discount upon loan services.

CHAPTER 5 - CONCLUSION

CONCLUSION:

All the people are availing loan facility from both the banks. No. of respondents of SBI were 46 and 47 of ICICI Bank. People related with SBI are more satisfied with the interest rate as compared to ICICI. SBI people much know about home loans than ICICI. Both ICICI and SBI mostly offer mobile banking services.

Processing of SBI is fast than ICICI. After home loan services of ICICI is good as compared to SBI. Peoples related with SBI is more satisfy with the employee behavior as compared to ICICI. People are more satisfied by SBI for time taken for sanctioning the loan. From all this I conclude that SBI bank provide good home loan services as compared to ICICI and many people are very much satisfied with SBI.

LIMITATIONS

Although best of the efforts were made to conduct a prefect survey but still it faces certain limitation. Following were certain limitation of this project.

1. The survey was conducted only on 100 respondents.
2. Some of the respondents did not answer all the questions, which could hamper the final results to a certain extent.
3. The study confines itself to the respondents of SHIMLA region only. Hence findings would not be relevant to other cities.

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ANNEXURE

COMPARITIVE STUDY OF HOME LOANS OF SBI &

ICICI QUESTIONNAIRE:

Name _____ Qualification _____

Age 18-25 25-35 35-40 above

Gender _____

1. What is your occupation?

Business man Government employee House wife
Student

Other

2. From how many years you are associated with this bank?

Less than 1 year 1-5 More than 5 year

3. How do you come to know about the home loan schemes of this bank?

News paper Television Internet Other resources

4. Are you aware of these types of home loans?

Home purchase loan Home construction loan Home improvement loan

Home extension loan Home equity loan Land purchase loan

5. Are you aware all terms and conditions of home loans?

Yes No

6. Are you satisfied with the interest rate charges by your bank?

Strongly agree Agree Strongly disagree Disagree

7. Your bank offers which type of services?

Mobile banking Net banking Forex banking

8. Do you agree that your bank loan processing is fast?

Strongly agree Agree Strongly Disagree Disagree

9. Do you satisfy with the after home loan services provided by your bank are best as compare to other bank?

Strongly agree Agree Strongly disagree Disagree

10. Does the cost of home loan is appropriate, according to your demand?

Yes No