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AFFORDABLE HOUSING LOANS, ITS PROBLEMS AND BURDEN:A COMPARATIVE STUDY OF BANGALORE, CHENNAI, HYDERABAD, NOIDA AND PUNE CITIES IN INDIA

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Abstract

Housing is the basic requirement for any class of citizens and attempts to build houses of their own choice on the premise of affordability and availability of land and other resources. Such resources are pooled either from retained savings or from the financed funds. The housing financial sector was dominated by informal resources till the late eighties. There were few lenders of housing loans which included Life Insurance Corporation of India (LIC), Housing and Urban Development Corporation (HUDCO), Housing Development Finance Corporation (HDFC) and Apex Cooperative Housing Finance Societies (ACHFS) with no particular support existing for the formal sector. The main aim was to channelize resources to housing sector through budgetary allocations especially for Economic Weaker Section (EWS) housing/ housing for migrated population.

Affordable housing is a three-dimensional notion, a triangulation that asks that the affordable to whom, on what standard of affordability, and for how long? Further Stone argues that the housing affordability is an indicator; affordable housing carries the connotation of a standard. An indicator is an empirical metric, usually of the relationship between housing costs and incomes.

In this paper an attempt has been made to study the Loans for Affordable Housing, various problems involved in Affordable Housing Loans and the Affordable Housing Loan Burden on its repayments by the respondents in the study areas of Bangalore, Chennai, Hyderabad, Noida and Pune Cities in India.

Key Words: Affordable Housing, Problems, Loans Burden and Outstanding of Loans.

I. INTRODUCTION

Housing is one of the most basic needs of the human beings, and it indicates the level of economic and social development of societies. It is also a valuable and important wealth that can be used by its owners currently or in the future (King, 2009). Because of its high value and cost, a large part of the world's population cannot afford to buy their own houses without additional funds (Warnock and Warnock, 2008). Therefore, to provide necessary funds to people who need additional funds, many countries have established their own housing finance systems (Leece, 2004).

Housing is the basic requirement for any class of citizens and attempts to build houses of their own choice on the premise of affordability and availability of land and other resources. Such resources are pooled either from retained savings or from the financed funds. The most important sources of housing finance are individuals' savings and other savings provided through banks, insurance companies and pension funds and so forth (Boleat, 1985; King, 2009). Majority of the individuals at all the levels have been preferring finance as the fundamental mode of acquiring a residential house despite the savings held in different forms. Different systems and methods are used to obtain necessary funds for housing in developed and developing countries (Leece, 2004). Formal sources of finance are not accessible to 80-90% of households in developing countries. Therefore, who provides finance to acquire a house is an important entity among the weaker sections who's savings is not sufficient to own a house. In India, there are fairly good number of housing finance entities like Housing Co-Operative Societies, State Finance Corporations (SFC) and National Banking Finance Corporation (NBFC), among these entities the most powerful variant is a Scheduled Commercial Bank which can channelize larger proposition of loanable funds towards housing finance. This diction is validly spread among the researchers, bankers and other stakeholders of Indian housing sector, which need to be examined in depth as still there is a lacuna between the demand and supply of housing finance in India (Shanker, 2014).

The housing financial sector was dominated by informal resources till the late eighties. There were few lenders of housing loans which included Life Insurance Corporation of India (LIC), Housing and Urban Development Corporation (HUDCO), Housing Development Finance Corporation (HDFC) and Apex Cooperative Housing Finance Societies (ACHFS) with no particular support existing for the formal sector. The main aim was to channelize resources to housing sector through budgetary allocations especially for Economic Weaker Section (EWS) housing/ housing for migrated population.

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II. REVIEW LITERATURE

Opoku et al. (2013) aimed at to investigate the house purchase behaviour of low-income Saudis regarding the sources of financing, preferences for alternative financing options, and the monthly payment amounts which they could afford to make in case of mortgage financing across demographic groups. A survey of 815 low - income respondents with a monthly income of Rs.7000 was conducted. The study found that the loan from the government Real Estate Development Fund (REDF) has been preferred the most as financing alternative followed by cash payment. The preference for cash payment is especially high among women. Apart from the government REDF loan, all other loan financing options like banks, company and friends/relatives are not very popular among the low - income respondents.

Sandhu (2013) evaluates the access of formal housing finance in the context of the urban poor in India. The study uses qualitative method of analysis and presents the analysis in the descriptive approach. Author found that the housing finance set-up favours the higher income groups and sidelines the low income groups, largely due to the prerequisites for accessing housing finance.

Cowing (2012) offers a relevant background on the history of federally subsidized, privately owned housing including a brief description of historical challenges to preserve the housing. Further, the author examines the challenges posed by the maturity of increasing numbers of federally subsidized mortgage and describes how the situation is affecting in Los Angeles. The study found that Los Angeles ranks among the least affordable cities in the nation due to high housing costs coupled with relatively low wages. The city’s housing element reports that 60% of the city residents are renters and 30% of those renters pay over half of their income in the form of rent. Additionally, an unsatisfied tenant in these areas encourages owners to prepay mortgages that are soon to mature, in order to become eligible for enhanced vouchers.

Whitehead et al. (2011) has explored the role of affordable home ownership in the light of the recent global financial crisis. There are clear implications for policy makers in other countries, notably the benefits from developing an intermediate tenure market which includes institutional equity and risk taking rather than continued large-scale reliance on debt finance. Author has found that the main products share many of the attributes of full home ownership while remaining more affordable. The economic situation of post 2007 made both shared ownership and shared equity became more difficult. The crisis and its aftermath also suggest that there is a need to develop a more robust and longer term market in equity sharing. This could be of real significance into the longer term, especially if the availability of mortgage finance remains constrained for many years to come. The author concludes that in the longer term, developing a range of partial tenures which provide the most of benefits of owner-occupation but again reduce the risks to individual households and improve affordability in the early years is a desirable strategy.

Wapwera et al. (2011) has identified and analysed the methods of housing finance adopted by the low income and informal groups in Nigeria. A survey of 300 households in selected areas (low-income/informal) of Jos Metropolis, Nigeria, was carried out, concerning the methods of housing finance used for building and home improvement. The analysis of traditional financing methods highlights the range and structure of the traditional methods of financing in operation in informal and low income areas of Jos Metropolis, Nigeria. The survey showed that 75% of the households utilized traditional methods of financing and 25% using modern methods.

Ingaroma et al. (2011) studied the Italian rented housing market, with a focus on large metropolitan areas. It presents a review of evidence of housing affordability, problems facing medium to low-income groups, and therefore adds to growing body of social housing international literature. The recently introduced changes to the delivery and funding models in the Italian social housing system offer an opportunity to overcome the traditional Italian approach to social housing. First, the new model serves a new target group to avoid it drifting into relative poverty, and second it allows new subjects, and primarily banking foundations to pursue actively an ethical return on their investment in new housing.

McCord et al. (2011) have empirically analysed the inter-relationships between mortgage liquidity and housing affordability in Northern Ireland (NI) during the boom-bust cycle in the residential property market. Authors have found that the relationship between mortgage finance and affordability has been driven by deregulation of the mortgage market contributing to the rise in house prices and affordability pressures during the market up-cycle. More recently, on-going liquidity constraints within the financial sector are impairing recovery in the residential property market culminating in heightened concerns of both purchase and “deposit gap” affordability. They have suggested that the new significant capital requirement is needed to access the housing market will inevitably prolong affordability pressures for the foreseeable future.

Torluccio et al. (2011) aimed at in developing an approach of banking credit participation during the realization method to access housing affordability. The method was developed in order to deal with the real purchasing capacity of households, taking into account, existing bank structures and the procurement of housing loans, as well as to access the potential demand for mortgage lending as promising area of banking. Assessment can be made by taking into account the conditions of housing loans from the largest banks and statistical information on the people's income, as well as information from the real estate agencies about the current level of prices in the housing market. The results of the application of this methodology help banks to identify the range of potential borrowers and types of households for which bank lending conditions would be acceptable. Moreover, the proposed method and the results of calculations can provide a basis for the development measures to create a system of mortgage lending, and for assessment of the scope and availability of various credit models.

Alaghbari et al. (2009) have identified the factors that cause housing the shortage for low income groups in Yemen and recommend some solutions to alleviate the problem. Authors have found that the most important economic factors causing housing shortage are poor handling of available economic resources and shortage of economic resources. The most important administrative factors causing housing shortage are lack of organization and synchronization and not conducting studies on housing. The most important legal factor causing housing shortage is lack of legalization of housing. They have also found that housing finance Programmes are still premature in Yemen. Therefore, some of the professional respondents have suggested that the government build low - cost housing projects for low – income groups and distribute the houses equally to the people.

Nyasulu et al. (2007) have investigated the un-affordability of housing and limited access to finance as limiting factors to the provision of adequate housing in the urban areas of Malawi. Authors have found that the finance from the formal sector is accessible to fewer than 35 per cent of the urban population and less than 16 per cent of households in the major urban areas can afford an average house. No government subsidies are available for end users and development financing is limited and extremely dear. The contribution from non-conventional finance sources to housing finance is negligible. They have suggested that the use of various instruments may alleviate the situation. Such instruments could include a housing tax for the implementation of subsidies; subsidies from developed countries; the formation of cooperatives and the implementation of securitisation etc.

Chandrakoke (1976) highlighted about the allocation of finances for the housing schemes. According to him the allocation of funds when compared to the requirements is very small and opined that the finances allocated to housing should be construction of houses which is spent in rural India.

III.AFFORDABLE HOUSING AND ITS FINANCE/LOANS

Home buyers face challenges while deciding "when" to purchase houses. While favourable economic conditions lead to higher incomes for home buyers, it also leads to spiralling real estate prices making it difficult for a buyer to purchase homes even given their higher incomes. On the other hand, during economic downturns while real estate prices decline, people become sceptical about their incomes and adopt a more cautious approach to purchases. Affordable housing may be a good strategy to this home-buyers dilemma and can help ensure housing across different sections of society. "Affordability" as a concept is very generic and could have different meanings for different people based on differences in income levels. Affordable housing refers to any housing that meets some form of affordability criterion.

Housing affordability is all about the oldest theories of supply and demand in economics. The use of the phrase "affordable housing", by commentators is deliberate. It means more than just house affordability, in three important respects. First, when housing adequacy is expressed by using the term "affordable housing", it implies that affordability is not a characteristic of housing per se, rather it is a "relationship between housing and people" (Stone, 2006a). Affordable housing is a three-dimensional notion, a triangulation that asks that the affordable to whom, on what standard of affordability, and for how long? Further Stone argues that the housing affordability is an indicator; affordable housing carries the connotation of a standard. An indicator is an empirical metric, usually of the relationship between housing costs and incomes. A standard, on the other hand, is a normative specification of the appropriate value that indicator should or should not take into account (Baer, 1976). Second, buying a house requires the wherewithal to cover the purchase price, and the capacity to take on a large, long-term debt obligation. Lack of cash and credit therefore, act as constraints and in the new post-crisis financial environment, any buying boost resulting from the sharp drop in mortgage rates for prime borrowers will be largely offset by the rising proportion of would be homebuyers who can no longer get credit at any rate, as banks scale back loans to match their shrinking assets. This factor, the financial dimension, is a function of conditions in the capital market, not the housing market. As one commentator puts it, "this aspect of the credit situation is not captured in the home affordability index" (Haughey, 2008).

Third, affordable housing is not the same as "social housing". Publicly owned public housing, and the closely related "community housing" sector, make up social housing and can be thought of as an extension of the government's social security services. By contrast, affordable housing addresses the gap experienced by many working and middle income households in the private sector whose incomes are not sufficient to allow them to access adequate housing in the market. In the US, where the term originated, "affordable housing" means housing that is privately owned or rented and meets certain affordability benchmarks (Davis, 1994).

The provision of formal finance for housing has important links with the overall financial inclusion as well as several socio-economic indicators considered important in the overall development indicators. Housing has several positive externalities like improvement in living conditions, better quality of life, education and health. Housing can also play an important part in financial inclusion by creating collateral for contracting other loans. Investment in housing is an important driver of overall economic growth. The house-building industry is an important employer with significant multiplier effects. The housing industry in India is the second largest employment generator, next to the agriculture sector and is ranked fourth in terms of multiplier effects, ahead of agriculture and transport. Given the importance of housing, there are several issues which need to be tackled to promote the provision of this basic need in India. Rapid urbanization and rural-urban migration has led to a substantial shortage of housing. The direct result of this has been the concentration of low income population in slums and informal settlements. Given that the shortage in housing is concentrated at the bottom of the pyramid, the sector can play an important role in the socio-economic development of the financially excluded.

The cost of house in India in relation to the annual income levels is among the highest in the world. Thus, a housing loan is an important means of raising resources to enable one to acquire a house. This has the added advantage of purchasing assets at current prices, while beating inflation by paying for it over a period of time. Housing finance is a vital element both in the development of a dynamic housing sector as well as growing and deepening financial sector. Recognising the importance of finance for housing, the Reserve Bank of India directed all commercial banks to lend 3% of incremental deposits to deploy to priority sector lending including financing housing by individuals and other cooperatives and private sector. Besides, RBI also reckons investments made by banks in the bonds issued by HUDCO under priority sector lending.

IV.OBJECTIVE OF THE STUDY

1. To study the Loans for Affordable Housing in the study areas of Bangalore, Chennai, Hyderabad, Noida and Pune Cities in India
2. To study the various problems involved in Affordable Housing Loans in the study areas.
3. To study the Affordable Housing Loan Burden on its repayments by the respondents in the study areas.

V.DESIGN/ METHODOLOGY/ APPROACH

This study suitably adopts the purposive, multi-stage and systematic sampling methods for selection of the study area and sample respondents.The study area is selected purposively based on the criteria of advancement in the Information Technology (IT) sector and major locations of out sourcing destination cities in India. The selected major out sourcing destination cities are Bangalore (Karnataka), Chennai (Tamil Nadu), Hyderabad (Andhra Pradesh) Noida (U.P.) and Pune (Maharashtra). Due to huge demand for housing in these cities, the government and private sector undertook some initiatives for the development of affordable housing.

Table – 1: Sample Respondents are drawn from the Study Area

S. No.	Cities	EWS	LIG	MIG	Total
1.	Bangalore	00*	20	20	**40**
2.	Chennai	00*	20	20	**40**
3.	Hyderabad	20	20	20	**60**
4.	Noida	20	20	20	**60**
5.	Pune	20	20	20	**60**
Total		**100**	**100**	**100**	**300**

*****As per the information received from the housing boards EWS houses are not available in Bangalore and Chennai study areas.

300 respondents has been selected randomly (probability /non probability methods as suitably applicable) from Economically Weaker Sections (EWS); Lower Income Groups (LIGs) and Middle Income Groups (MIGs) from the study area. The total sample beneficiaries of affordable housing have been drawn as mentioned in the table - 1.

The primary data has been collected from the selected respondents on the various quantitative and qualitative variables by administering interview schedule/questionnaire to obtain the desired information to fulfil the objective of the study.

The present study suitably adopts descriptive in design and follows the participant observation method in the collection of primary data. The adequate sample respondents have been drawn through the non –probability sampling method depending on the availability of the desired data after conducting pilot study on the subject.

The collected data through the interview schedules and questionnaire has been classified and analyzed. The statistical tools like averages and percentages, chi-square test, anova etc., has been used where ever is applicable in the analysis of results. The discussions with concerned officials and stakeholders in the study area have been used in the analysis.

VI. ANALYSIS AND DISCUSSION

Table-2: City wise Distribution of Respondents' Perception by Loans taken for Purchasing of House/ Flat

City	Loans taken for Purchasing of House/ Flat					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Bangalore	05	12.5	35	87.5	**40**	**100.0**
Chennai	13	32.5	27	67.5	**40**	**100.0**
Hyderabad	25	41.7	35	58.3	**60**	**100.0**
Noida	26	43.3	34	56.7	**60**	**100.0**
Pune	09	15.0	51	85.0	**60**	**100.0**
Total	**78**	**30.0**	**182**	**70.0**	**260**	**100.0**
χ^2 = 21.35, df = 4, p < 0.001						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)Source: Field Survey.

Table-2 presents city wise distribution of respondents' perception regarding loans taken for purchasing of house/ flat. Analysis shows that out of 260 respondents, 30.0% had taken loans for purchasing of house/ flat. It shows that the proportion of respondents who had taken loans for purchasing of house/ flat was maximum (43.3%) in Noida and minimum (12.5%) was in Bangalore. There is very highly significant difference in the proportion of respondents' who had taken loans for purchasing of house/ flat according to various cities.

Table-3 shows the house category wise distribution of respondents' perception by loans taken for purchasing of house/ flat. Analysis shows that the proportion of respondents who had taken loans for purchasing of house/ flat was maximum (32.0%) in LIG category and minimum (25.0%) was in EWS category. There is no significant difference in the proportion of respondents' who had taken loans for purchasing of house/ flat according to various house categories.

Table-3: House Category wise Distribution of Respondents' Perception by Loans taken for Purchasing of House/ Flat

House Category	Loans taken for Purchasing of House/ Flat					
	Yes		No		Total	
	No.	%	No.	%	No.	%
EWS	15	25.0	45	75.0	**60**	**100.0**
LIG	32	32.0	68	68.0	**100**	**100.0**
MIG	31	31.0	69	69.0	**100**	**100.0**
Total	**78**	**30.0**	**182**	**70.0**	**260**	**100.0**
χ^2 = 0.95, df = 2, p > 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-4: City wise Distribution of Respondents' Perception by Loans taken from Different Banks

City	Loans taken from Different Banks									
	Public Banks		Private Banks		Chit fund Companies		Financial Institutions		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Bangalore	03	60.0	02	40.0	00	0.0	00	0.0	**05**	**100.0**
Chennai	08	61.5	02	15.4	00	0.0	03	23.1	**13**	**100.0**
Hyderabad	08	32.0	01	4.0	12.0	48.0	04	16.0	**25**	**100.0**
Noida	10	38.5	15	57.7	00	0.0	01	3.8	**26**	**100.0**
Pune	07	77.8	02	22.2	00	0.0	00	0.0	**09**	**100.0**
Total	**36**	**46.2**	**22**	**28.2**	**12**	**15.4**	**08**	**10.3**	**78**	**100.0**
χ^2 = **49.38, df = 12, p < 0.001**										

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-4 shows the city wise distribution of respondent's perception by loans taken from different banks. Analysis shows that out of 78 respondents, 42.2% had taken loans from public banks, 28.2% from private banks, 15.4% from chit fund companies and 10.3% from financial institutions. Further, it shows that the proportion of respondents who had taken loans from public banks was maximum (77.8%) in Pune and minimum (32.0%) in Hyderabad. The proportion of respondents who had taken loans from private banks was maximum (57.7%) in Noida and minimum (4.0%) in Hyderabad. The proportion of respondents who had taken loans from chit fund companies was there only in Hyderabad (48.0%). The proportion of respondents who had taken loans from financial institutions was maximum (23.1%) in Hyderabad and minimum (3.8%) in Noida. The difference in proportion of respondents who had taken loans from different banks according to various cities is found to be very highly significant.

Table-5: House Category wise Distribution of Respondents' Perception by Loans taken from Different Banks

House Category	Loans taken from Different Banks									
	Public Banks		Private Banks		Chit fund Companies		Financial Institutions		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
EWS	01	6.7	02	13.3	12	80.0	00	0.0	**15**	**100.0**
LIG	20	62.5	08	25.0	00	0.0	04	12.5	**32**	**100.0**
MIG	15	48.4	12	38.7	00	0.0	04	12.9	**31**	**100.0**
Total	**36**	**46.2**	**22**	**28.2**	**12**	**15.4**	**08**	**10.3**	**78**	**100.0**
χ^2 = **61.77, df = 6, p < 0.001**										

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-5 shows the house category wise distribution of respondent's perception by loans taken from different banks. Analysis shows that the proportion of respondents who had taken loans from public banks was maximum (62.5%) in LIG category and minimum (6.7%) in EWS category. The proportion of respondents who had taken loans from private banks was maximum (38.7%) in MIG and minimum (13.3%) in EWS category. The proportion of respondents who had taken loans from chit fund companies was there only in EWS category (80.0%). The proportion of respondents who had taken loans from financial institutions was maximum (12.9%) in MIG and minimum (12.5%) in LIG category. The difference in proportion of respondents who had loans taken from different banks according to various cities is found to be significant.

Table-6: City wise Distribution of Respondents' Perception by Loans Easily Available in the Market

City	Loans Easily Available in the Market					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Bangalore	02	40.0	03	60.0	**05**	**100.0**
Chennai	13	100.0	00	0.0	**13**	**100.0**
Hyderabad	17	68.0	08	32.0	**25**	**100.0**

Noida	17	65.4	09	34.6	**26**	**100.0**
Pune	06	66.7	03	33.3	**09**	**100.0**
Total	**55**	**70.5**	**23**	**29.5**	**78**	**100.0**
χ^2 = 8.14, df = 4, p > 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-6 shows the city wise distribution of respondent's perception by loans easily available in the market. Analysis shows that out of 78 respondents, 70.5% respondents were in the view that loans were easily available in the market. All the respondents (100.0%) from Chennai said that loans were easily available in the market and minimum (40.0%) from Bangalore said the same. There is no significant difference in the proportion of respondents who had said that loans were easily available in the market according to various cities.

Table-7: House Category wise Distribution of Respondents' Perception by Loans Easily Available in the Market

House Category	**Loans Easily Available in the Market**					
	Yes		**No**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**
EWS	13	86.7	02	13.3	**15**	**100.0**
LIG	23	71.9	09	28.1	**32**	**100.0**
MIG	19	61.3	12	38.7	**31**	**100.0**
Total	**55**	**70.5**	**23**	**29.5**	**78**	**100.0**
χ^2 = 3.18, df = 2, P > 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-7 shows the house category wise distribution of respondent's perception by loans easily available in the market. The proportion of respondents who had said positively about this was maximum (86.7%) in EWS category and minimum (61.3%) in MIG category. There is no significant difference in the proportion of respondents who had said that loans easily available in the market according to various types of house categories.

Table-8: Distribution of Respondents' Perception by Loans Easily Available in the Market & Different Banks

Banks	**Loans Easily Available in the Market**					
	Yes		**No**		**Total**	
	No.	**%**	**No.**	**%**	**No.**	**%**
Public Banks	21	58.3	15	41.7	**36**	**100.0**
Private Banks	17	77.3	05	22.7	**100**	**100.0**
Chit Fund Companies	12	100.0	00	0.0	**12**	**100.0**
Financial Institutions	05	62.5	03	37.5	**08**	**100.0**
Total	**55**	**70.5**	**23**	**29.5**	**78**	**100.0**
χ^2 = 8.32, df = 3, p < 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-8 shows the distribution of respondent's perception by loans easily available in the market on the basis of different banks. The proportion of respondents who had said positively about this was minimum (58.3%) in public banks and maximum (100%) in chit fund companies. There is significant difference in the proportion of respondents who had said that loans easily available in the market according to the different banks.

Table-9 shows the distribution of respondent's perception by number of days for granting the loans. It shows that proportion of respondents was maximum (39.7%) in 0.5 months and minimum (1.3%) in 4.0 & 5.0 months. For further analysis time period for granting the loans has been divided into 3 groups i.e. less than1 month, 1-2 months and 2 months and above.

Table-9: Distribution of Respondents' Perception by Number of Days for Granting the Loans

Number of Days for Granting the Loans (In Months)	No.	%
0.5	26	33.3
1.0	31	39.7
2.0	12	15.4
3.0	07	9.0
4.0	01	1.3
5.0	01	1.3
Total	78	100.0

Source: Field Survey.

Table-10: City wise Distribution of Respondents' Perception by Number of Days for Granting the Loans

City (Group)	Number of Days for Loans the Granting								Statistics
	< 1 Month		1 – 2 Months		2 Months & Above		Total		
	No.	%	No.	%	No.	%	No.	%	Mean ± SD
Bangalore (1)	02	40.0	02	40.0	01	20.0	05	100.0	1.00 ± 0.61
Chennai (2)	03	23.1	07	53.8	03	23.1	13	100.0	1.12 ± 0.55
Hyderabad (3)	13	52.0	06	24.0	06	24.0	25	100.0	1.10 ± 0.87
Noida (4)	08	30.8	12	46.2	06	23.1	26	100.0	1.19 ± 0.85
Pune (5)	00	0.0	04	44.4	05	55.6	09	100.0	2.22 ± 1.39
Total	**26**	**33.3**	**31**	**39.7**	**21**	**26.9**	**78**	100.0	1.26 ± 0.93
F = 3.12, $p < 0.05$, Significant Pairs = (5vs2,3,4)									

Very Highly Significant ($p<0.001$), Highly Significant ($p<0.01$), Significant ($p<0.05$), Insignificant ($p>0.05$)
Source: Field Survey.

Table-10 shows the city wise distribution of respondent's perception by number of days for granting the loans. In case of less than 1 month, proportion was maximum (52.0%) in Hyderabad and minimum (23.1%) in Chennai. In case of 1-2 months, the proportion was maximum (53.8%) in Chennai and minimum (24.0%) in Hyderabad. In case of 2 months & above, the proportion was maximum (55.6%) in Pune and minimum (20.0%) in Bangalore. There is a significant difference in the average months (time period for granting the loans) according to various cities. The significant difference is found between Chennai & Pune, Hyderabad & Pune and Noida & Pune respectively.

Table-11: House Category wise Distribution of Respondents' Perception by Number of Days for Granting the Loans

House Category	Number of Days for Loans the Granting							
	< 1 Month		1 – 2 Months		2 Months & Above		Total	
	No.	%	No.	%	No.	%	No.	%
EWS	12	80.0	01	6.7	02	13.3	15	100.0
LIG	05	15.6	15	46.9	12	37.5	32	100.0
MIG	09	29.0	15	48.4	07	22.6	31	100.0
Total	**26**	**33.3**	**31**	**39.7**	**21**	**26.9**	**78**	100.0
$\chi^2 = 20.68$, df = 4, $p < 0.001$								

Very Highly Significant ($p<0.001$), Highly Significant ($p<0.01$), Significant ($p<0.05$), Insignificant ($p>0.05$)
Source: Field Survey.

Table-11 shows the house category wise distribution of respondent's perception by number of days for granting the loans. Analysis shows that in case of less than 1 month, the proportion was maximum (80.0%) in EWS category and minimum (15.0%) in LIG category. In case of 1-2 months, the proportion was maximum (48.4%) in MIG category and minimum (6.7%) in EWS category. In case of 2 months & above, the proportion was maximum (37.5%) in LIG category and minimum (13.3%) in EWS category. The difference in proportion of respondents according to number of days for granting the loans and various house categories is found to be very highly significant.

Table-12: Distribution of Respondents' Perception by Number of Days for Granting the Loans & Different Banks

Banks	Number of Days for Granting the Loans							
	< 1 Month		1 – 2 Months		2 & Above Months		Total	
	No.	%	No.	%	No.	%	No.	%
Public Banks	02	5.6	16	44.4	18	50.0	36	**100.0**
Private Banks	09	40.9	11	50.0	02	9.1	22	**100.0**
Chit Fund Companies	12	100.0	00	0.0	00	0.0	12	**100.0**
Financial Institutions	03	37.5	04	50.0	01	12.5	08	**100.0**
Total	**26**	**33.3**	**31**	**39.7**	**21**	**26.9**	**78**	**100.0**
χ^2 = 44.09, df = 6, p < 0.001								

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-12 shows the distribution of respondent's perception by number of days for granting the loans and different banks. Analysis shows that in case of less than 1 month, the proportion was maximum (100.0%) in chit fund companies and minimum (5.6%) in public banks. In case of 1-2 months, the proportion was maximum (50.0%) in private banks & financial institutions and minimum (44.4%) in public banks. In case of 2 months & above, the proportion was maximum (50.0%) in public banks and minimum (9.1%) in private banks. There is very highly significant difference in the proportion of respondents according to number of days for granting the loans and various banks.

Table-13: City wise Distribution of Respondents' Perception by Problems in Granting the Loans

City	Problems in Granting the Loans					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Bangalore	05	100.0	00	0.0	**05**	**100.0**
Chennai	03	23.1	10	76.9	**13**	**100.0**
Hyderabad	05	20.0	20	80.0	**25**	**100.0**
Noida	08	30.8	18	69.2	**26**	**100.0**
Pune	05	55.6	04	44.4	**09**	**100.0**
Total	**26**	**33.3**	**52**	**66.7**	**78**	**100.0**
χ^2 = 14.69, df = 4, p < 0.01						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-13 shows the city wise distribution of respondent's perception by problems in granting the loans. Analysis shows that out of 78 respondents, 33.3% had faced problems in granting the loans. The proportion was maximum (100.0%) in Bangalore and minimum (20.0%) in Hyderabad. There is highly significant difference in the proportion of respondents who had faced problems in granting the loans according to various cities.

Table-14: House Category wise Distribution of Respondents' Perception by Problems in Granting the Loans

House Category	Problems in Granting the Loans					
	Yes		No		Total	
	No.	%	No.	%	No.	%
EWS	02	14.3	12	85.7	**14**	**100.0**
LIG	13	39.4	20	60.6	**33**	**100.0**
MIG	11	35.5	20	64.5	**31**	**100.0**
Total	**26**	**33.3**	**52**	**66.7**	**78**	**100.0**
χ^2 = 2.90, df = 2, p > 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-14 shows the house category wise distribution of respondent's perception by problems in granting the loans. Analysis shows that maximum (39.4%) proportion of respondents was in LIG category and minimum (14.3%) was in EWS category that had faced problems in granting the loans. There is no significant difference in the proportion of respondents who had faced problems in granting the loans according to various house categories.

Table-15: Distribution of Respondents' Perception by Problems in Granting the Loans & Different Banks

Banks	Problems in Granting the Loans					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Public Banks	18	50.0	18	50.0	**36**	**100.0**
Private Banks	05	22.7	17	77.3	**22**	**100.0**
Chit Fund Companies	00	0.0	12	100.0	**12**	**100.0**
Financial Institutions	03	37.5	05	62.5	**08**	**100.0**
Total	**26**	**33.3**	**52**	**66.7**	**78**	**100.0**
χ^2 = 11.68, df = 3, p < 0.01						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-15 shows the distribution of respondent's perception by problems in granting the loans and different banks. The proportion of respondents who had faced problems in granting the loans, was maximum (50.0%) in public banks and minimum (22.7%) in private banks. The difference in proportion of respondents who had faced problems in granting the loans according to different banks is found to be highly significant.

Table-16: Distribution of Respondents' Perception by Main Problems in Granting the Loans

Reasons for problems in granting the Loans	No.	%
Documentation	20	76.9
Work culture	6	23.1
Total	**26**	**100.0**

Source: Field Survey.

Table-16 shows the distribution of respondent's perception regarding main problems in granting the loans. Analysis shows that out of 26 respondents, maximum (76.9%) proportion of respondents was faced problems related to documentation and minimum (23.1%) faced problems related to work culture of the banks.

Table-17: City wise Distribution of Respondents' Perception by Payment of Loans in Time

City	Payment of Loans in Time					
	Yes		No		Total	
	No.	%	No.	%	No.	%
Bangalore	02	40.0	03	60.0	**05**	**100.0**
Chennai	02	15.4	11	84.6	**13**	**100.0**
Hyderabad	14	56.0	11	44.0	**25**	**100.0**
Noida	17	65.4	09	34.6	**26**	**100.0**
Pune	06	66.7	03	33.3	**09**	**100.0**
Total	**41**	**52.6**	**37**	**47.4**	**78**	**100.0**
χ^2 = 10.07, df = 4, p < 0.05						

Very Highly Significant (p<0.001), Highly Significant (p<0.01), Significant (p<0.05), Insignificant (p>0.05)
Source: Field Survey.

Table-17 shows the city wise distribution of respondent's perception by payment of loans in time. Analysis shows the proportion of respondents who replied positively about this was maximum (66.7%) in Pune and minimum (15.4%) in Chennai. There is a significant difference in the proportion of respondents who have paid loans back in time according to various cities.

Table-18: House Category wise Distribution of Respondents' Perception by Payment of Loans in Time

House Category	Payment of Loans in Time					
	Yes		No		Total	
	No.	%	No.	%	No.	%
EWS	02	13.3	13	86.7	**15**	**100.0**
LIG	14	43.8	18	56.3	**32**	**100.0**
MIG	25	80.6	06	19.4	**31**	**100.0**
Total	**41**	**52.6**	**37**	**47.4**	**78**	**100.0**
$\chi^2 = 20.06$, df = 2, $P < 0.001$						

Very Highly Significant ($P<0.001$), Highly Significant ($P<0.01$), Significant ($P<0.05$), Insignificant ($P>0.05$)
Source: Field Survey.

Table-18 shows the house category wise distribution of respondent's perception by payment of loans in time. Analysis shows the proportion of respondents who replied positively about this was maximum (80.6%) in MIG category and minimum (13.3%) in EWS category. There is very highly significant difference in the proportion of respondents who have paid loans back in time according to various house categories.

VII .FINDINGS & CONCLUSION

From the analysis, it is found out that out of total respondents very few respondents had taken loans from different banks and formal sources of finance to purchase their houses. Maximum number of respondents had taken loans from public banks followed by private banks and from chit fund companies. The respondents who had applied for loans, maximum were in the view that loans were easily available in the market. It is also found that maximum numbers of days for granting the loans was from 1-2 months. Maximum number of respondents faced no problem in the process of granting the loans. From the analysis it is also found that documentation and work culture of the bank were the main problems during the granting of loans. If we talk of payment of loans in time, maximum had paid the loan in time.

To acquire a house everybody needs finance. The most important sources of housing finance are individuals' savings and other savings provided through banks, insurance companies etc. Different systems and methods are used to obtain necessary funds for housing in developed and developing countries Formal sources of finance are not accessible to 80-90% of households in developing countries. Therefore who provides finance to acquire a house is an important entity among the weaker sections whose savings is not sufficient to own a house. In India there are fairly good number of housing finance entities like Housing Co-Operative Societies, State Finance Corporations etc but still there is a lacuna between the demand and supply of housing finance.

During the field survey, the beneficiaries of EWS, LIG and MIG houses had suggested that interest rate for housing finance from formal sources of finance should be reduced. The beneficiaries of EWS category are facing the problems in getting finance because they did not have any mortgage security for getting the loans. The maximum beneficiaries of EWS category were from labourers group and they do not get fixed and regular source of income. It is suggested that government should announce some new schemes/ plans to support these poor people in the study areas.

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