RESEARCH ARTICLE

Satisfaction level regarding housing finance practices in Kanpur Nagar (U.P.)

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ABSTRACT

The investigation was made with an objective to study the housing finance practices of urban households. The sample of 60 flat owners and 60 house owners were selected randomly from different localities of zone V and VI of Kanpur nagar. Highest satisfaction for state bank of india was reported by both flat and house owners, whereas flat owners reported lowest satisfaction from departmental loan and house owners to union Bank of India regarding term and conditions of housing finance practices of both flat and house owners among various financial institutions.

INTRODUCTION

Housing is a basic necessity as well as an important economic activity. A major challenge in housing sector is that of ensuring improved access of housing with associated infrastructure to all the citizens with particular reference to weaker sections. A house fulfills many important individual and social needs and is a critical asset to own, both for men and women. Housing also provides opportunities for home based economic activities. Adequate housing has also an important role in the health status of occupants. Hence, housing is a very important tool in mitigating poverty and generating employment.

METHODS

The descriptive research design was used for the present study. Data were collected by using personal interview method. sample of 60 of flat owners and 60 house owners were selected for the present study. Multistage purposive random sampling design was used to select the locale, zone and the respondents. The collected data were tabulated and analysed with the help of subjective (frequency, percentage, mean and S.D.) and rational statistics (coefficient correlation, score and rank).

OBSERVATIONS AND ANALYSIS

It is portrayed in the Table 1 that the percentage of flat owners belonging to age group 35-40 years were highest (53.33%) while 26.67 per cent were identified below 35 years age and 11.67 per cent were in above 45 years age group. The percentage of house owners belonging to 40-45 years age group was highest (40.0%) while 26.67 per cent were belonging to age group 35-40 years, 18.33 per cent were below 35 years age group. only 15.00 per cent respondents belonged to above 45 years age group.

The observed value of X^2 was significant at 1 per cent level of significance identified age as a important factor for housing finance practices for construction/purchase of house and flat (Table 1).

Data pertaining to monthly family income from all sources revealed that more than one third of the flat (33.33%) and house (36.66%) owners had monthly income above Rs. 45,000 and more than half of the flat (53.33%) and house (58.00%) owners under investigation had monthly income between Rs. 25,000 to 45,000. only 3.33 per cent flat owners and 5.00 per cent house

owners had monthly income less than Rs. 25,000. The observed value of X^2 was significant at 1 per cent level of significance. Income of the respondents was significantly associated with purchase/construction of house or flat.

Table 1 also indicates that maximum (61.67%) flat owners had 5-6 members, 23.33 per cent had less than 4 members while only 15.00 per cent flat owners had above 6 members in their family. Similarly, maximum (41.66 %) house owners had 5-6 members, 23.33 per cent had less than 4 members while 35.00 per cent house owners had above 6 members in their families. This shows that separate house is needed due to large size of family. The observed value of X^2 was significant at 1 per cent level of significance. Now-a-days joint family is disintegrating into nuclear family system.

Satisfaction level of flat and house owners regarding "terms and conditions" of housing finance practices was categorized as personnel, process, product, problem handling and procedure which is presented in Table 2. Broad analysis of data revealed that the satisfaction level regarding terms and conditions of housing finance practices both flat and house owners identified highest score to "personnel" for the State Bank of India (mean value 1.82), and lowest (mean value 0.13) to "personnel" category for union Bank of India as given by flat owners and mean value 0.10 identified for departmental loan by house owners.

"Staff are helpful in listening the housing finance needs" was identified as most satisfactory services (rank Ist) from institutions *i.e.* ICICI, SBI, OBC, departmental loan, LIC and Union bank of india by flat owners and house owners respondents. Lowest (rank IVth) was given to "Staff of the housing finance institution have enough knowledge" of Oriental bank of Commerce by house owners and second lowest rank "Staff are very responsive" of ICICI, SBI, LIC and UBI by flat owners.

Analysis of terms and conditions related to "process" for availing loan revealed that SBI identified highest score (mean value 1.99) by flat owners and mean value (1.63) by house owners, respectively. lowest (mean value 0.04) satisfaction was found among flat owners and house owners (mean value 0.14) for Union Bank of India.

Lowest (rank IVth) was identified for "Time taken in processing of loan is less" of ICICI, SBI, OBC, Departmental loan and LIC by flat owners.

Regarding "product" the data further revealed that amongst different housing finance institutions, SBI scored highest (mean value 2.24) and lowest to departmental loan and oriental Bank of Commerce (mean value 0.05) by flat owners, whereas house owners satisfaction identified highest score for SBI (mean value 1.73) and lowest to departmental loan (mean value 0.14).

Nominal amount of installment was identified as most satisfied condition by flat owners for ICIC, Departmental loan and union bank of India.

Analysis of terms and conditions related to "problem handling" indicated that among housing finance institutes, SBI scored highest (mean value 1.52) and lowest (mean value 0.03) Departmental loan and oriental Bank of Commerce (mean value 0.03) by flat owners and highest score to SBI (mean value 1.23) and lowest to departmental loan (mean value 0.08) by house owners respondents. "housing Finance institutions understand the specific problems" and "mode of repayment" identified (rank Ist) by flat owners for ICIC, SBI and oriental Bank of Commerce.

Satisfaction level from "procedures" adopted by housing finance institutes, SBI again scored highest (mean value 2.23) and departmental loan lowest (mean value 0.05) by flat owners. SBI identified highest mean score (mean value 1.83) and departmental loan lowest (mean value 0.13) by house owners regarding terms and conditions of housing finance practices.

Conclusion:

It was concluded that house or flat is one of the assets

Table 1 : Distribution of respondents on the basis of age income and family members											
Particulars	N	Age (years)				Income (Rs.)/month				Family members (numbers)		
		Below 35	35-40	40-45	Above 45	Less than 25000	25000 to 35000	35000 to 45000	Above 45000	Less than 4	5-6	Above 6
Flat owners	60	16 (26.67)	32 (53.33)	5 (8.33)	7 (11.67)	2 (3.33)	29 (48.33)	9 (15.00)	20 (33.33)	14 (23.33)	37 (61.67)	9 (15.00)
House owners	60	11 (18.33)	16 (26.67)	24 (40.00)	9 (15.00)	3 (5.00)	15 (25.00)	20 (33.33)	22 (36.66)	14 (23.33)	25 (41.66)	21 (35.00)
		X^2 37.915**		P<0.01			X^2 15.433**		P<0.01		X^2 14.245**		P<0.01

Table 2 : Distribution of respondents on the basis of satisfaction level regarding terms and conditions of housing finance practices

Sr. No.	Particulars	ICICI* Flat (n – 60) Score	Rank	House (n – 60) Score	Rank	SBI** Flat (n – 60) Score	Rank	House (n – 60) Score	Rank	OBC*** Flat (n – 60) Score	Rank	House (n – 60) Score	Rank	Departmental loan Flat (n – 60) Score	Rank	House (n – 60) Score	Rank	LIC**** Flat (n – 60) Score	Rank	House (n – 60) Score	Rank	UBI***** Flat (n – 60) Score	Rank	House (n – 60) Score	Rank
Personnel																									
1	The staff are helpful in listening the housing finance needs	0.45	I	0.42	II	2.34	I	1.70	I	0.07	I	0.32	I	0.05	I	0.15	I	0.38	I	0.48	I	0.15	I	0.55	I
2	The staff are very courteous	0.30	II	0.48	I	1.61	III	1.34	II	0.07	I	0.32	I	0.03	III	0.08	III	0.28	III	0.48	I	0.15	I	0.47	II
3	The staff of the housing finance institution have enough knowledge	0.30	II	0.35	III	1.85	II	1.30	III	0.05	III	0.23	IV	0.06	I	0.10	II	0.34	II	0.43	III	0.15	I	0.42	III
4	The staff are very responsive	0.28	IV	0.35	III	1.51	IV	1.06	IV	0.05	III	0.28	III	0.03	III	0.08	III	0.27	IV	0.35	IV	0.10	IV	0.35	IV
	ρ	0.600				0.800				0.900				0.900				0.500				0.500			
	Mean	0.33		0.40		1.82		1.35		0.04		0.10		0.06		0.28		0.31		0.43		0.13		0.44	
Process																									
1	The forms are simple and easy to fill	0.37	III	0.25	IV	2.21	II	1.52	III	0.05	III	0.32	III	0.05	I	0.12	II	0.38	III	0.45	III	0.15	III	0.48	IV
2	Minimum adequate details are sought for eligibility	0.48	I	0.48	I	1.88	III	1.89	II	0.08	I	0.32	III	0.05	I	0.17	I	0.45	II	0.48	II	0.19	I	0.68	I
3	Time taken in processing of loans is less	0.20	IV	0.38	III	1.53	IV	1.19	IV	0.03	IV	0.43	I	0.01	IV	0.12	II	0.23	IV	0.62	I	0.19	I	0.63	II
4	Title deed deposited as security	0.48	I	0.45	II	2.37	I	1.95	I	0.08	I	0.38	II	0.05	I	0.17	IV	0.47	I	0.42	IV	0.15	III	0.55	III
	ρ	0.300				0.500				-0.400				-0.400				-0.800				0.800			
	Mean	0.38		0.39		1.99		1.63		0.04		0.14		0.06		0.36		0.38		0.49		0.17		0.58	
Product																									
1	Housing finance schemes are adjustable	0.44	III	0.35	VI	2.14	V	1.30	VI	0.05	II	0.37	V	0.05	V	0.10	VI	0.38	VII	0.58	IV	0.10	V	0.42	VII
2	Variety of housing finance schemes are available	0.27	VI	0.35	VI	1.58	VI	1.29	VII	0.03	VII	0.25	VI	0.30	VI	0.10	VI	0.27	V	0.48	VI	0.10	V	0.43	VI
3	Rate of interest	0.45	II	0.51	I	3.06	I	2.12	I	0.08	I	0.23	VI	0.07	I	0.17	I	0.43	III	0.52	V	0.19	II	0.65	III
4	Loan amount sanction	0.40	IV	0.49	II	2.27	IV	1.79	V	0.05	II	0.43	I	0.07	I	0.17	I	0.27	V	0.48	VI	0.15	IV	0.68	I
5	Tenure of housing finance schemes are convenient	0.25	VII	0.49	II	1.55	VII	1.84	IV	0.05	II	0.40	II	0.03	VI	0.17	I	0.27	V	0.65	I	0.10	V	0.68	I

Contd... Table 2

Contd... Table 2

The table continues with paired Mean and Rank values across the institutional columns (see legend below). Readable values by row:

Sr.	Statement	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
6.	Amount of installment are nominal	0.47	I	2.60	II	0.65	II	0.47	II	0.17	I	0.21	I	0.68	I
7.	Received installments on time	0.30	V	2.50	III	0.65	I	0.50	I	0.13	V	0.19	II	0.62	V
	ρ	0.2857		0.7857		0.4286		0.3571						0.2321	
	Mean	0.36		0.44		2.24		1.73		0.37		0.57		0.14	(0.59)

Problem Handling

Sr.	Statement	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
1.	The housing finance institution understands the specific problems faced by clients	0.31	I	1.60	I	0.35	II	0.30	III	0.07	III	0.15	I	0.38	II
2.	The problems have been solved rapidly	0.31	I	1.40	III	0.33	III	0.28	I	0.10	I	0.14	III	0.40	I
3.	The problems have been solved with satisfaction	0.24	III	1.58	II	0.38	I	0.28	II	0.08	II	0.15	I	0.37	III
	ρ	-1.000		1.000		0.250		0.250						-1.000	
	Mean	0.28		0.26		1.52		1.23		0.28		0.35		0.14	(0.38)

Procedures

Sr.	Statement	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
1.	The margin money requirements/security requirements are reasonable	0.44	II	2.21	III	0.52	IV	0.35	III	0.12	III	0.20	I	0.52	IV
2.	Eligibility criteria (age. income, number of dependents etc are reasonable	0.40	III	2.18	IV	0.55	III	0.37	IV	0.10	IV	0.20	I	0.55	III
3.	Mode of repayment	0.49	I	2.28	I	0.65	I	0.51	II	0.13	II	0.19	III	0.68	I
4.	Return of title deed and other documents after repayment of loan	0.35	IV	2.28	I	0.58	II	0.38	I	0.17	I	0.19	IV	0.65	II
	ρ	-0.800		0.700		-0.400		0.800		0.250				-1.000	
	Mean	0.42		0.47		2.23		1.83		0.40		0.57		0.19	(0.60)
	Total mean score	0.36		0.40		2.02		1.59		0.35		0.50		0.20	(0.53)

* ICICI- Industrial Credit and Investment Corporation of India
** SBI- State Bank of India
*** OBC- Oriental Bank of Commerce
**** LIC- Life Insurance Corporation of India
***** UBI- Union Bank Of India

that everyone wants to own. Highest satisfaction by both flat (mean value 2.02) and house owners (mean value 1.59) was reported for State Bank of India, whereas flat owners reported lowest satisfaction for departmental loan (mean value 0.04) and house owners for union bank of India (mean value 0.20).

The financial practices regarding the rate of interest, mode of repayment, understanding the clients problems before availing the loan and handling of financial papers were identified highest satisfaction issues by the respondents for State Bank of India.

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