**A**

**PROJECT REPORT**

**ON**

# A COMPREHENSIVE STUDY OF FINANCIAL INSTITUTIONS OFFERING HOME LOAN WITH SPECIAL REFRENCE OF ICICI BANK

SUBMITTED

To

CENTRE FOR ONLINE LEARNING

Dr. D.Y. PATIL VIDYAPEETH, PUNE



IN PARTIAL FULFILMENT OF DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

BY

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## AKHIL ADWANI

MBA – 4TH SEM JULY 2022 BATCH



**DECLARATION BY LEARNER**

This is to declare that I have carried out this project work myself in part fulfillment of the M.B.A Program of Centre for Online Learning of Dr. D.Y. Patil Vidyapeeth, Pune – 411018

The work is original, has not been copied from anywhere else, and has not been submitted to any other University / Institute for an award of any degree / diploma.

Date: - 08.06.2024 Signature: -

Place: Pune. Name: Akhil Adwani

**Executive Summary**

This Report is an attempt to provide a detailed analysis of the process to get a home loan and the requirements to get a loan in ICICI Bank.

I met more than 40 customers and promoted ICICI Bank home loan products. During this student internship program, I came to know that most of the people r showing to take a home loan but they are so confused what the necessary requirements to get a loan.

However, my survey suggests that maximum number of people are interested to take a loan but all are not aware of the products and the process. Employees and Business people are already taken home loans to meet their financial requirements to construct a home.

In my survey I found that 80% of people do not know how to get a loan in a bank

Finally, creating awareness is very important to get good profits to the company as well as to build good brand image in the minds of customers.

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**OBJECTIVES**

The main objective of doing this project is to study the corporate culture and creating awareness among the customers about home loan products of ICICI bank. During this student internship program period I have to achieve some thing which is helpful to the development of myself and some value addition to the company. Generating business to the company is the main objective. It gives me good exposure of myself and creating good impression of corporate mind.

* The main objective of this study is to know the Customers perceptions about home loans of ICICI bank.
* Generating good business to the company by promoting and selling the products of ICICI.

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* To know the ideas of customers about home loan products and services.
* To get the knowledge about different loan products of ICICI Bank.
* Creating awareness of ICICI Bank products in the minds of Walk-in customers in the bank.
* Fixing the appointments with the customers.
* Visiting the customers and closing the deal.



**COMPANY PROFILE**

ICICI Bank, India's second-largest bank, reported strong financial results for the fiscal year ending March 31, 2024. The bank's total assets were approximately ₹17.15 trillion (US$ 207 billion), and it achieved a net income of ₹442.6 billion (US$ 5.35 billion), reflecting a 30% increase from the previous year. The bank's revenue also grew by 35% to ₹1.58 trillion (US$ 19.1 billion), although its profit margin slightly decreased to 28% due to higher expenses.

ICICI Bank continues to expand its presence, with a robust network of branches and ATMs across India and a significant international footprint. It operates subsidiaries in the UK, Canada, and Russia, branches in Singapore and Bahrain, and representative offices in the US, China, UAE, Bangladesh, and South Africa. The bank offers a wide range of financial products and services to both corporate and retail customers through various delivery channels and specialized subsidiaries in areas such as investment banking, insurance, venture capital, and asset management.

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

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 objective was 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 services group 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 Ahmedabad 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 and banking operations, both wholesale and retail, have been integrated in a single entity.

\*Free float holding excludes all promoter holdings, strategic investments and cross holdings among    public sector entities.

**RESEARCH METHODOLOGY**

**RESEARCH**

**Research** is defined as [human](http://en.wikipedia.org/wiki/Human) activity based on [intellectual](http://en.wikipedia.org/wiki/Intellectual) application in the investigation of [matter](http://en.wikipedia.org/wiki/Matter). The primary purpose for applied research is [discovering](http://en.wikipedia.org/wiki/Discovery_(observation)), [interpreting](http://en.wikipedia.org/wiki/Interpretation_(logic)), and the [development](http://en.wikipedia.org/wiki/Development) of methods and systems for the advancement of human [knowledge](http://en.wikipedia.org/wiki/Knowledge) on a wide variety of scientific matters of our world and the universe. Research can use the [scientific method](http://en.wikipedia.org/wiki/Scientific_method), but need not do so.

**Scientific research** relies on the application of the [scientific method](http://en.wikipedia.org/wiki/Scientific_method), a harnessing of [curiosity](http://en.wikipedia.org/wiki/Curiosity). This research provides [scientific](http://en.wikipedia.org/wiki/Science) information and theories for the explanation of the [nature](http://en.wikipedia.org/wiki/Nature) and the [properties](http://en.wikipedia.org/wiki/Property) of the world around us. It makes practical applications possible. Scientific research is funded by public authorities, by charitable organizations and by private groups, including many companies. Scientific research can be subdivided into different classifications according to their academic and application disciplines.

**Historical research** is embodied in the [historical method](http://en.wikipedia.org/wiki/Historical_method).

The term *research* is also used to describe an entire collection of [information](http://en.wikipedia.org/wiki/Information) about a particular subject.

***Research methods***

The goal of the research process is to produce new knowledge, which takes three main forms:

* [Exploratory research](http://en.wikipedia.org/wiki/Exploratory_research), which structures and identifies new problems.
* [Constructive research](http://en.wikipedia.org/wiki/Constructive_research), which develops solutions to a problem.
* [Empirical research](http://en.wikipedia.org/wiki/Empirical_research), which tests the feasibility of a solution using empirical evidence.

**Exploratory research** is a type of [research](http://en.wikipedia.org/wiki/Research) conducted because a problem has not been clearly defined. Exploratory research helps determine the best research design, data collection method and selection of subjects. Given its fundamental nature, exploratory research often concludes that a perceived problem does not actually exist.

Exploratory research often relies on [secondary research](http://en.wikipedia.org/wiki/Secondary_research) such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors, and more formal approaches through in-depth interviews, focus groups, projective methods, case studies or pilot studies. The Internet allows for research methods that are more interactive in nature: E.g., [RSS](http://en.wikipedia.org/wiki/RSS) feeds efficiently supply researchers with up-to-date information; major search engine search results may be sent by email to researchers by services such as [Google Alerts](http://en.wikipedia.org/wiki/Google_Alerts); comprehensive search results are tracked over lengthy periods of time by services such as [Google Trends](http://en.wikipedia.org/wiki/Google_Trends); and Web sites may be created to attract worldwide feedback on any subject.

The results of exploratory research are not usually useful for decision-making by themselves, but they can provide significant insight into a given situation. Although the results of qualitative research can give some indication as to the "why", "how" and "when" something occurs, it cannot tell us “How often" or "how many."

Exploratory research is not typically generalizable to the [population](http://en.wikipedia.org/wiki/Statistical_population) at large.

**Constructive research** is perhaps the most common [computer science](http://en.wikipedia.org/wiki/Computer_science) research method. This type of approach demands a form of validation that doesn’t need to be quite as empirically based as in other types of research like [exploratory research](http://en.wikipedia.org/wiki/Exploratory_research).

Nevertheless, the conclusions have to be objectively argued and defined. This may involve evaluating the “construct” being developed analytically against some predefined criteria or performing some [benchmark](http://en.wikipedia.org/wiki/Benchmark) tests with the [prototype](http://en.wikipedia.org/wiki/Prototype).

The term “construct” is often used in this context to refer to the new contribution being developed. Construct can be a new [theory](http://en.wikipedia.org/wiki/Theory), [algorithm](http://en.wikipedia.org/wiki/Algorithm), [model](http://en.wikipedia.org/wiki/Computer_model), [software](http://en.wikipedia.org/wiki/Software), or a [framework](http://en.wikipedia.org/wiki/Framework).

**Empirical research** is any research that bases its findings on direct or indirect [observation](http://en.wikipedia.org/wiki/Observation) as its test of [reality](http://en.wikipedia.org/wiki/Reality). Such research may also be conducted according to [hypothetico-deductive](http://en.wikipedia.org/wiki/Hypothetico_deductive_model) procedures, such as those developed from the work of [R. A. Fisher](http://en.wikipedia.org/wiki/Ronald_Fisher).

The researcher attempts to describe accurately the interaction between the instrument (or the human senses) and the entity being observed. If instrumentation is involved, the researcher is expected to [calibrate](http://en.wikipedia.org/wiki/Calibrate) her/his instrument by applying it to known standard objects and documenting the results before applying it to unknown objects.

In practice, the accumulation of evidence for or against any particular theory involves planned [research designs](http://en.wikipedia.org/wiki/Research_design) for the collection of empirical data, and academic rigor plays a large part of judging the merits of research design. Several [typographies](http://en.wikipedia.org/wiki/Typography) for such designs have been suggested, one of the most popular of which comes from Campbell and Stanley (1963). They are responsible for popularizing the widely cited distinction among [pre-experimental](http://en.wikipedia.org/w/index.php?title=Pre-experimental_design&action=edit&redlink=1), [experimental](http://en.wikipedia.org/wiki/Experimental_design), and [quasi-experimental](http://en.wikipedia.org/wiki/Quasi-experimental_design) designs and are staunch advocates of the central role of randomized experiments in [educational research](http://en.wikipedia.org/wiki/Educational_research).

Research methodology is a strategy that guides how to research in providing answers to research questions and for this, research survey is being done. “Accuracy of the study depends on the systematic application of the method”. The researcher has to decide the method to be used that helps him to get a desired direction in a systematic way. This study in the following manner.

*A) Methodology Adopted*

**Questionnaire Design**

The questions were designed in an easily understandable way with the help of Mr. Manoj Verma. That the respondents may not have any difficulty in answering them. The questionnaire also contained a comments section. This section was included so as to get opinion of the people regarding the BANCASSURANCE.

**Random Sampling**

Sampling can be defined as a part of population. Thus, random sampling may be defined as the selection of a portion from the whole population in which each element of the population has an equal chance of being selected. A more please definition is that each element in the population has a non-zero and known probability of selection a randomly drawn sample is an unbiased sample. In this research survey 50 people were surveyed at random to get the relevant information.

Sample Size: The sampling techniques used in this project are probability sampling

techniques and the methods used in cluster sampling.

Sampling Unit:

Self Employed, Service persons etc.

Sample size:

The sample size was restricted to only 100 who have account in banks, which comprised of mainly peoples from different regions of India.

Sampling Area: India.

The area of the research was New Delhi, NCR.

*B) Data Collection.*

**Structured Questionnaire**

In this collection data, structured questionnaire is used as a tool by asking a set of standardized questions to know the effectiveness of Bancassurance strategy adopted by leading Insurance companies.

**Interview**

The next step involved in collecting information requires discussion with people. Thus, valuable information was gathered by doing informal friendly talks with the people.

**Secondary Data Collection**

Various websites were consulted to collect literature relevant to the topic.

***Research design***

The research design adopted for this project is ‘DESCRIPTIVE RESEARCH’ which is based on purpose of study. The objective of a descriptive research is to solve problems. It helps to extract new insight into problem. It is flexible and helps to generate research procedure for gathering relevant data. Its features are as under:

1. It helps diagnosing dimensions of problem. It helps to set priorities for research.
2. Determines best alternatives to test concept.
3. Generate ideas for new product.

**Data analysis tools**

Various data analysis tools are being used to gather data and interpret. It includes statistical tools that is measures of central tendency.

### **Banking System in India**

### The modern banking system in India started with establishment of the first joint stock bank The General Bank of India in the year 1786. After this first bank, Bank of Hindustan and Bengal Bank came to existence. In the mid of 19th century East India Company established three banks The Bank of Bengal in 1809, The Bank of Bombay in 1840, and bank of Madras in 1843. These banks were independent units and called Presidency banks. These three banks were amalgamated in 1920 and new bank Imperial Bank of India was established.

After Independence the Imperial Bank of India was nationalized with a new name State Bank of India by passing State Bank of India act 1955. The Reserve Bank of India as a Central bank was nationalized in the year 1935 by an act the Reserve bank of India act passed in the parliament. Several new banks as Punjab National Bank, Bank of Baroda, Canara Bank, Indian Bank, Bank of India etc were established after independence. On July 19, 1969 14 major banks were nationalized. Later on, more banks were nationalized. At present the number of nationalized banks is 20. Several Foreign banks were allowed to operate as per the guidelines of RBI. At present the banking system can be classified in following categories:

1. **PUBLIC SECTOR BANKS**

Reserve Bank of India

State Bank of India and its 7 associate Banks

Nationalized Banks (20 in number) Regional Rural Banks sponsored by public sector Banks

1. **PRIVATE SECTOR BANKS**

Old Generation Private Banks

New Generation Private Banks

Foreign Banks in India

Scheduled Co-operative Banks

Non-Scheduled Banks

1. **CO-OPERATIVE SECTOR BANKS**

State Co-operative Banks

State Co-operative Banks

Primary agriculture Credit Societies

Land Development Banks

Urban Co-operative Banks

State Land Development Banks

1. **DEVELOPMENT BANKS**

Industrial Finance Corporation of India (IFCI)

Industrial Development bank of India (IDBI)

Industrial Credit & Investment corporation of India (ICICI)

Industrial Investment Bank of India (IIBI)

Small Industries Development Bank of India (SIDBI)

National Bank for Agriculture & Rural Development (NABARD)

Export-Import Bank of India

SCICI

All the types of banks have a centralized control of RBI. All the banks have to follow the guidelines of RBI. Government used banks to provide credit and loan to weaker section. This led to a serious crisis of unrecoverable debt. At the end of 1990 banks were saddled with NPA (Non-Performing Assets) as a bad and recoverable debt touched to Rs. 75,000 crores.

Foreign Banks in India started to lure customers by good services. These banks were more automated, providing more faster information, kept flexible working hours and introduced 24 hrs ATM's.

Private Indian Banks as well as Nationalized Banks offering better services and are better attempting to get on to the path of comprehensive automation.

Commercial Banking System in India consisted of 296 scheduled banks (including 12 public sector banks, 21 private sector banks, and 45 foreign banks.) as on May 2024. Of the scheduled commercial banks, 223 are in public sector and these account for about 82 per cent of the deposits of all scheduled commercial banks. In the public sector banking system, there are 196 regional rural banks specially set up to increase the flow of credit to small borrowers in the rural areas. These banks have specified areas of operations usually limited to two to three districts. They also undertake some other commercial banking business. The remaining 27 banks in the public sector are regular commercial banks and transact all types of commercial banking business. Some important indicators in regard to progress of commercial banking in India since 1996.

Amongst the public sector banks, as on December 1999, As of March 31, 2023, the State Bank of India (SBI) group, including its associate banks, remains the largest banking group in India. SBI operates with over 22,405 branches and 67,796 ATMs across the country. The total deposits of the SBI group amounted to Rs. 47,59,800 crores, and the total advances stood at Rs. 32,32,600 crores. The group holds a substantial market share in various banking segments, including 23.08% in advances and 24.49% in deposits within the Indian banking sector​.

#### ADVANCES TO PRIORITY SECTOR

Extension of credit to small borrowers in the hitherto neglected sectors of the economy has been one of the key tasks assigned to the public sector banks in the post-nationalization period.

To achieve this objective, banks have drawn up schemes to extend credit to small borrowers in sectors such as agriculture, smalls-scale industry, road and water transport, retail trade and small business which traditionally had very little share in the credit extended by banks.

Credit to Weaker Sections

Credit Flow to Agriculture

Advances to SC/ST Borrowers

Differential rate of interest scheme

Swarna Jayanti Gram Swarozgar Yojana

Swarna Jayanti Shahari Rozgar Yojana

Prime Minister's Rozgar Yojana

**REGIONAL RURAL BANKS**

Regional Rural Banks (RRBs) were set up to take the banking services to the doorsteps of rural masses especially in remote rural areas with no access to banking services. These banks were originally intended to provide institutional credit to those weaker sections of the society called 'target groups' at a concessional rate of interest.

**INDUSTRIAL DEVELOPMENT BANK OF INDIA**

Industrial Development Bank of India (IDBI), established under the Industrial Development Bank of India Act, 1964, is the principal financial institution for providing credit and other facilities for development of industry, co-coordinating working of institutions engaged in financing1 promoting or developing industries and assisting the development of such institutions. IDBI has been providing direct financial assistance to large industrial concerns and also helping small and medium industrial concerns through banks and state-level financial institutions. Aggregate assistance (provisional) sanctioned during 1999-2000 amounted to Rs. 28,307.7 crore registering a rise of 10.7 per cent over the preceding year. Disbursements amounted to Rs. 17,059.3 crore in 1999-2000.

**EXPORT-IMPORT BANK OF INDIA**

Export-Import Bank of India (EXIM Bank) was established on 1 January 1982 for financing, facilitating and promoting foreign trade in India. During the year ended 31 March 1999, EXIM Bank sanctioned loans of Rs. 2,831.8 crore while disbursements amounted to Rs. 1,729.6 crore. Net profit (before tax) of the Bank for the period 1999-2000 on account of General Fund amounted to Rs. 27 crores.

**ICICI LIMITED**

Industrial Credit and Investment Corporation of India (ICICI) Limited was established in l955 as public limited company to encourage and assist industrial units in the country. Its objectives, inter-alia, include providing assistance in the creation, expansion and modernization of industrial enterprises, encouraging and promoting participation of private capital both internal and external, in such enterprises, encouraging and promoting industrial deve1opment and helping development of capital markets. It provides term loans in Indian and foreign currencies, underwrites issues of shares and debentures, makes direct subscriptions to these issues and guarantees payment of credit made by others. The assistance sanctioned and disbursed by ICICI during 1999-2000 aggregated Rs. 44,478.8 crore and Rs. 25,836.3 crore respectively, registering a growth of 30 per cent and 34.4 per cent respectively over the previous year.

NATIONAL HOUSING BANK

National Housing Bank (NHB), the apex institution of housing finance in India was set up as wholly-owned subsidiary of the Reserve Bank of India (RBI) under the National Housing Bank Act, 1987. The statutory mandate of NHB covers promotional, developmenta1 and regulatory aspects of housing finance with focus on developing a sound housing finance system. It started its operation from July 1988. The authorized share capital of NHB is Rs. 500 crores. As on 30 June 1999, the paid-up capital of NHB stood at Rs. 350 crore and the reserves and surplus were Rs. 481.30 crore.

**HOUSING FINANCE**

The overall minimum target during 1999-2000 for housing finance provided by commercial banks was raised to 3 per cent (from earlier 1.5 per cent) of their incremental deposits of the previous year or the amount of housing finance allocations fixed for the year 1998-99 whichever is higher. The individual amount of housing loans provided by commercial bank either directly or indirectly, to be eligible for inclusion under the priority sector, continues to be at Rs. five lakhs, except in the case of direct finance to individuals in urban/metropolitan areas where it has been revised to Rs.10 lakhs. Investment by banks in special bonds of NHB and HUDCO exclusively for financing of housing, irrespective of the loan size, has also been included under the priority sector advances

**A Chronology of Nationalization of Banks**

1949 Enactment of Banking Regulation Act.

1955(Phase I) Nationalizations of State Bank of India

1959(Phase II) Nationalizations of SBI subsidiaries

1961 Insurance cover extended to deposits

1969(Phase III) Nationalization of 14 major banks

1971 Creation of credit Guarantee Corporation

1975 Creation of regional rural banks

1980(Phase IV) Nationalization of six banks with deposits over 200 corers.

**Reserve Bank of India**

The Reserve Bank of India (RBI) is the Central banking institution of India started functioning from 1st April 1935. Originally the Reserve Bank was constituted as a shareholder's bank in India. After the independence a reserve bank of India bill was introduced in the parliament, for giving public ownership to the bank. Since 1st January 1949, the Reserve bank started functioning as the state owned and state managed Central bank of India. The nationalization of the Reserve bank has converted it into a national constitution with all the financial controlling powers.

The Reserve Bank of India is the Central banking institution having the main functions:

 It is the sole authority for issuing bank notes.

 It is the supervisory body for all banking operations in India.

 It supervises and administers exchange control and banking regulations and administers the Government's policy.

 RBI only grants licenses for new banks and new bank branches.

 RBI only issues banking licenses to the foreign banks operating in India.

 RBI approves the licenses of operation to the private banks.

The Reserve Bank of India lays down restrictions on bank lending and other activities with large companies. These restrictions also called "Consortium guidelines" hinder the availability foster competition between banks. RBI’s guidelines to the commercial banks on the use of assets and liabilities. Forty percent of loans must be directed to "priority sectors" and the high liquidity ratio and the cash reserves requirements severely limit the availability of deposits for lending. Domestic Indian banks also restricted to make 40 percent of their loans at concessional rates to priority sectors selected by the Government. Foreign banks also restricted to make 32 percent of loans to these priority sector.

The Reserve Bank of India (RBI) was established under the Reserve Bank of India Act, 1934 on 1’st April 1935 and nationalized on 1’st January 1949. The Bank is the sole authority for issue of currency in India other than one-rupee coins and subsidiary coins and notes. As the agent of the Central Government, the Reserve Bank undertakes distribution of one-rupee notes and coins, as well as small coins issued by the Government. The Bank acts as banker to the Central Government, state governments, commercial banks, state co-operative banks and some of the financial institutions. It formulates and administers monetary policy with a view to ensuring stability in prices while promoting higher production in the real sector through proper deployment of credit. RBI plays an important role in maintaining the stability of exchange value of the rupee and acts as an agent of the Government in respect of India's membership of International Monetary Fund. The Reserve Bank also performs a variety of developmental and promotional functions. These apart, the Reserve Bank also handles the borrowing programmer of the Government of India.

The Reserve Bank of India is the central banking institution. It is the sole authority for issuing bank notes and the supervisory body for banking operations in India. It supervises and administers exchange control and banking regulations, and administers the government's monetary policy. It is also responsible for granting licenses for new bank branches. 25 foreign banks operate in India with full banking licenses. Several licenses for private banks have been approved. Despite fairly broad banking coverage nationwide, the financial system remains inaccessible to the poorest people in India.

**Guidelines of RBI**

The RBI issued guidelines regarding the formation and functioning of private sector banks in January 1993. The guidelines are as follows:

 The Banks shall be governed by the provisions of The Reserve Bank of India Act 1934, The Banking Regulations Act 1949, and other relevant statuaries.

 Private Sector Banks are required to be registered as Public limited Companies in India.

 The shares of banks are required to be listed on Stock Exchanges.

 Preference will be given to those banks whose headquarters are proposed to be located in a center which does not have headquarters of any other bank.

 Maximum voting rights of an individual shareholder will be limited to 1% of total voting rights.

 The new bank will not be allowed to have someone as its director who is already a director in a banking company.

 The bank will be subject to prudential norms in respect of banking operations, accounting policies, and other policies as laid down by RBI. The bank will be required to adhere` to the following: Minimum paid-up capital of Rs. 1 billion. Promoter's contribution as determined by the RBI capital adequacy of 8% of the risk weighted assets. Single borrower and group borrower exposure limits in force priority sector lending Export Credit Loan policy within overall policy guidelines laid down by RBI.

 The banks will be free to open Branches anywhere once they satisfy the capital adequacy and prudential accounting norms.

 The banks will not be allowed to have investments in subsidiaries, mutual funds and portfolio investments in other companies in excess of 20% of the bank's own paid-up capital and reserve.

 The banks would be required to use the modern infrastructural facilities in office equipments, computer, telecommunications etc. facilities in office equipments, computer, telecommunications etc.

 With the recommendations of Narasimha Committee, the Government has now allowed the entry of Private Banks.

 The RBI will grant approvals for entry of private sector banks provide such banks offer competitive, efficient and low-cost financial intermediation services, result in up gradation of technology in the banking sector, are financially viable and do not resort to unfair means like

preemption and concentration of credit, monopolization of economic power, cross holding with industrial groups etc.

**Mergers in the Banking Sector: 1984 to 2010**

|  |  |  |
| --- | --- | --- |
| **Bank** | **Year** | **Merged With** |
| Laxmi Commercial Bank | **1984** | **Canara Bank** |
| Miraj State Bank | **1984** | **State Bank of India** |
| Hindustan Commercial | **1984** | **Union Bank of India** |
| Traders Bank | **1985** | **Punjab National Bank** |
| United Industrial Bank | **1988-89** | **Allahabad bank** |
| Bank of Tamil Nadu | **1988-89** | **Indian Overseas Bank** |
| Bank of Thanjavur | **1988-89** | **Indian Bank** |
| Parun Central Bank | **1988-89** | **Bank of India** |
| Purvanchal Bank | **1990** | **Central Bank of India** |
| New Bank of India | **1993** | **Punjab National Bank** |
| BCCI | **1993** | **State Bank of India** |
| Bank of Karad | **1994** | **Bank of India** |
| Kashinath Seth Bank | **1995** | **State Bank of India** |
| Bari Daab Bank & Punjab Co-operative Bank | **1997** | **Oriental Bank of Commerce** |
| Bareilly Corporation Bank | **1997** | **Bank of Baroda** |
| Sikkim Bank | **1999** | **Union Bank of India** |
| Times Bank | **1999** | **HDFC Bank** |
| Bank of Mathura | **2000** | **ICICI Bank** |

|  |  |  |
| --- | --- | --- |
| **Bank** | **Year** | **Merged With** |
| Times Bank Ltd. | **2000** | **HDFC Bank Ltd.** |
| Bank of Madura Ltd. | **2000** | **ICICI Bank Ltd.** |
| Bank of Madura Ltd. | **2002** | **Bank of Baroda** |
| ICICI Ltd. | **2002** | **ICICI Bank** |
| Nedungadi Bank Ltd. | **2003** | **Punjab National BANK** |
| Global Trust Bank | **2004** | **Oriental Bank of Commerce** |
| Centurion Bank | **2005** | **Bank of Punjab (POB)** |
| United Western Bank | **2006** | **IDBI Ltd.** |
| Bharat Overseas Bank | **2007** | **Indian Overseas Bank** |
| Centurion Bank of Punjab | **2008** | **HDFC Bank** |
| Bank of Rajasthan Ltd. | **2010** | **ICICI Bank** |

Mega Bank Mergers-2020

Ms. Nirmala Sitharaman, India's Finance Minister, announced the merger of the country's main public sector banks in August 2019 with a vision to restructure and reorganize the Banking system in the country. As of today, India has 12 PSBs (Public Sector Banks). In 2017, there were 27 PSBs with fragmented lending capacity; after consolidation, there will be 12 PSBs.  
The government of today was following the recommendations made by M Narasimha Committee in 1991.  
  
The committee had proposed that the Indian banking system evolve as follows:

Three or four large banks (including the State Bank of India) which could become international.

Eight to 10 national banks with a network of branches throughout the country.

Local banks whose operations would be generally confined to a specific region. Rural banks (including RRBs) for rural and agricultural activities.

PUNJAB NATIONAL BANK + Oriental Bank of Commerce + United Bank together is the 2nd largest PSB in India with a business size of over Rs 18 Lakh Crore and is the 2nd largest network with more 11.5K branches all over India. A high Current and Savings Account (CASA) ratio and a large lending capacity would result from the merger. In all three banks, the same Core Banking System (CBS), Finacle, would allow for speedy settlement of gains.

Canara Bank + Syndicate Bank will be the 4th largest PSB producing a whooping business of 15.2 Lakh Crore and the third-largest network with 10.5K branches all over India. Synergies, culture, and a single CBS platform will allow for immediate operational gains and increased lending capacity.

Union Bank+ Andhra Bank + Corporation Banks would be the 5th Largest PSB generating a business of14.6 lakhs crore with 9.5K branches all over India making it the 4th Largest network. Strong scale benefits all three, with revenue increasing by 2 to 4.5 times that of a single bank.

Indian Bank + Allahabad Bank with a business of Rs 8.08 lakh crore, the amalgamated organization will be the seventh-largest PSB in the country. With the firm doubling, there are significant scale benefits for both. In a consolidated bank, high CASA and lending capability are merged.

Conclusion  
As is typical of most such reforms, these proposals were implemented gradually. Some local banks came up with the notion, but it didn't take off. For small finance banks, the notion of focusing on a certain region has been abandoned. The Narasimha Committee had asked the government to limit the number of public sector banks and make room for private sector banks in the first two recommendations.  
  
The new private sector banks also contributed to the hold-up. Some of the 1990s' newcomers went out of business quickly, and a handful was also involved in fraud. This necessitated the cleaning up of newly established private sector banks. The surviving new banks have mostly remained stable over time, steadily displacing public sector banks. With public sector banks performing poorly recently, it was probably time to revisit the Narasimha Committee's recommendations.

**Credit Cards**

The bank transaction through credit card increasing per year in India. Debit cards and smart cards will replace cheque books in future. In India, most of the larger banks providing their branded credit card to their customers to facilitate their shopping or transaction any where in the world. India has 5.3 million credit cards and 5.6 lakh debit cards.

Challenges and Future

Mergers in the Banking, NPA, New Technology, Electronic Cash Transfer

After the nationalization of Banks, increasing adoption of technology, continuous mergers in the banking, modernizing backroom operation in the banks and competition pave the path of growth of Indian banking. By the mid-1990, the near monopoly of public sector banks faced the competition by the more customer-focused private sector entrants. This competition forced older and nationalized banks to revitalize their operations.

Year 1992 was the golden period of Indian Banking system due to the scam-tainted stock market. Large proportion of household saving moved into the banking system, which recorded an annual growth of 20 percent in deposit.

But along with the continuous growth and modernization, there are several challenges confronting the banking sector. The main challenges facing the banking sector is the deployment of funds in quality assets and the management of revenues and costs. The problem of NPA (non- performing assets), overall credit recovery system still exists. There is a continuous reforms and modernization is in process. A number of recon emendations of two Narasimha committees have been implemented.

Foreign Banks focusing on corporate and on the middle-class consumer and providing then better service. Nationalized Banks are also attempting to get on the path of automation. Strong Banks will acquire the weaker banks. The members of foreign banks operating in India has increased significantly and their share of total assets has also increased. In the year 2001 estimated foreign bank account for 14.7 percent of the total net profit of commercial banking sector in India.

Inspite tangible progress and the contribution of Narasimham I and Narasimham committee reports the banking sector in India suffering from systemic and structural problem.

INDIAN BANKS ABROAD

Ninety-five branches, including off-shore branches and mobile agencies of nine-Indian commercial banks (which include eight public sector banks and one Indian private sector bank) were operating in foreign countries as on 31 March 2000. These branches are spread over 25 countries and located in major international centers like London, Singapore, Amsterdam, Bahrain, New York, Hong Kong, Tokyo, Frankfurt, Paris, etc.

The largest concentration is in the United Kingdom (19) followed by Fiji Islands (9), USA (8), Singapore (6), Hong Kong and Mauritius (7 each), Sri Lanka (6), United Arab Emirates (6) and Japan (4). These branches specialize in various areas of international banking including financing of foreign trade. They cater to the needs of Indian exporters and importers and to that extent, they form an integral part of the domestic banking system. Besides these branches, Indian commercial banks are having 15 representative offices in USA, Brazil, Indonesia, Iran, Egypt, Russia, Italy, Zimbabwe, China, Uzbekistan, Philippines, Vietnam, Kazakhstan and Australia. Indian commercial banks are also having 14 wholly-owned subsidiaries and eight joint ventures in USA, Canada, Zambia, Nigeria, Uganda, Bhutan, Mauritius, Kenya and Nepal.

**DIFFERENT FINANCIAL INSTITUTIONS OFFERING HOME LOAN**

[Logo of Punjab National Bank](http://www.pnbindia.com/)

|  |  |
| --- | --- |
| **Extent of loan** |  |
|  | |

**Individual**   
For construction/purchase of house / flat - 75% of the cost of construction of house or purchase of house / flat.   
  
For carrying out repairs/ renovation/ additions/ alterations: - 75% of the estimated cost subject to maximum of Rs. 20lacs.   
  
Loan up to rs.20 Lacs for purchase of Land/Plot.  
  
Loan is available for maximum up to Rs.2 Lacs for furnishing.

|  |  |
| --- | --- |
| **Security** |  |
|  | |

|  |  |
| --- | --- |
|  | Mortgage of property for which finance is being given. |
|  | In case of purchase of house/ flat from housing board/ society where mortgage cannot be created immediately, a tripartite agreement shall be executed amongst the housing board/ society, borrower and the Bank. |
|  | In case of purchase of house/ flat on first power of attorney, additional security equal to 125% of the loan amount by way of mortgage of some other property or pledge of bank's FDR/ LIC policy/ Govt. Securities, NSCs, KVPs, IVPs, / PSU Bonds etc. has to be provided. |

|  |  |
| --- | --- |
| **Upfront Fee** |  |
|  | |

0.90% of the loan amount + Service Tax & Education Cess

|  |  |
| --- | --- |
| **Documentation Charges** |  |
|  | |

Rs.1,350/- + GST.

|  |  |
| --- | --- |
| **Repayment** |  |
|  | |

Loan is to be repaid in equated monthly installments within a period of 25 years or before the borrower attains the age of 65 years.

|  |  |
| --- | --- |
| **Disbursement** |  |
|  | |

|  |  |
| --- | --- |
|  | For outright purchase of house/ flat, the loan amount will be paid in lumpsum to the vendor. |
|  | For house/ flat under construction, the loan amount will be disbursed in stages as per progress of construction/ demand by selling agency. |

|  |  |
| --- | --- |
| **Rate of Interest** |  |

**INTEREST RATES ON ADVANCES UNDER RETAIL LENDING SCHEMES**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **(effective from 1st January 2009 – BPLR 12.00%) I. a Housing Finance to Individuals including NRIs / Flexible Housing scheme / existing Fin Basket a/cs**  **For repayment period** | **Fixed Option for loans** | | | | **Floating Option for loans** | |
| **Up to 20 lacs** | **Above 20 lacs** | **Up to 20 lacs** | **Above 20 lacs** | | |
| I) Up to 5 years | 9.25 | 10.25 | | 9.00 | | 10.00 |
| ii) Above 5 & up to 10 years | 10.25 | 10.50 | | 9.50 | | 10.00 |
| iii) Above 10 & up to 20 years | 10.75 | 11.00 | | 9.75 | | 10.25 |
| iv) Above 20 yrs. & up to 25 yrs. | 11.25 | 11.50 | | 10.00 | | 10.50 |
| **I. b. FLEXIBLE HOUSING (OVERDRAFT COMPONENT)** | BPLR i.e. 12% | | | | | |
| **I. c. OVERDRFT FACILITY TO EXISTING HOUSING LOANS BORROWERS FOR PERSONAL NEEDS** | BPLR  i.e. 12% | | | | | |
| The aforesaid revised rates of interest under floating option will also be applicable in:  • Existing as well as new accounts in Flexi-Housing scheme (Term Loan component) and  • In existing accounts in Fin Basket scheme which stands as closed.  • The fixed rate of interest option of Housing Loans, disbursed on or after 01.08.2006, will be subject to reset clause of five years on all repayment tenors except tenor up to 05 year. (RBD Advances Circular 25 dated 2.8.2006).  • Extra 0.50% Rate of Interest on card rate to be charged in respect of persons already having one or more houses and availing Housing Loan for subsequent house(s). This extra Rate will continue to be charged in all cases where either borrower or co-borrower is having one or more houses in his/her name. | | | | | | |

[](http://www.statebankofindia.com/index.htm)

**WELCOME to SBI Home Loans -   
  
"THE MOST PREFERRED HOME LOAN PROVIDER"** voted in AWAAZ Consumer Awards along with the **MOST PREFERRED BANK AWARD** in a survey conducted by TV 18 in association with AC Nielsen-ORG Marg in 21 cities across India.   
  
**SBI HOME LOANS** now offers Interest Rates concessions on **GREEN HOMES** in accordance with SBI's commitment to Environment protection.  
  
**SBI Home Loans** come to you on the solid foundation of trust and transparency built in the tradition of **State Bank of India.**   
  
Best Practices followed in **SBI** mentioned below will tell you why it makes sense to do business with **State Bank of India**

|  |  |
| --- | --- |
|  | **Best practices followed in SBI** |
| People dealing with you | End to End service by **Permanent employees of SBI** who are accountable to you. |
| Place | **SBI branch of your choice** will service your loan account. You can always meet our employees face to face. |
| Price | Complete **transparency.**  Interest charged on the **daily reducing balance.** |
| Prepayment charges | No penalty for prepayments made, out of bonafide savings or windfall gains for which evidence is produced. |
| Costs hidden in fine print | No hidden costs |
| Transparency | Complete transparency. All the features of our product, including interest rates, are in the public domain. |

**Unique features:**  
  
**\*** Provision for on the spot "In principle" approval.  
  
**\*** Loan sanctioned within 6 days of submission of  required documents.  
  
**\*** Option to avail Home Loan as a Term Loan or as an Overdraft facility to save on interest and maximize gains (see **SBI Max Gain** in the following sections)   
  
\*Option to club income of your spouse and children to compute eligible loan amount  
  
\*Provision to club depreciation, expected rent accruals from property proposed to compute eligible loan amount  
  
\*Provision to finance cost of furnishing and consumer durables as part of project cost  
  
\*Repayment permitted up to 70 years of age  
  
\*Free personal accident insurance cover up to Rs.40 Lac.  
  
\*Optional Group Insurance from SBI Life at concessional premium (Upfront premium financed as part of project cost)  
  
\*Interest calculated on daily reducing balance basis, and starts from the date of disbursement.   
  
‘Plus’ schemes which offer attractive packages with concessional interest rates to Govt. Employees, Teachers, Employees in Public Sector Oil Companies.  
  
\*Special scheme to grant loans to finance Earnest Money Deposits to be paid to Urban Development Authority/ Housing Board, etc. in respect of allotment of sites/ house/ flat  
  
  
\*Option to avail loan at the place of employment or at the place of construction

 Package of exclusive benefits:

* Complimentary international ATM-Debit card
* Complimentary SBI Classic/ International Credit Card.
* Option for internet-banking
* Concessional package under ‘Credit Khazana’ for prospective Auto Loan, Student Loan, Personal Loan borrowers whose accounts are conducted satisfactorily
* 50% concession in charges in respect of all personal remittances/ collection of outstation cheques  
    
  Personal loan at attractive rates under SBI Home Plus scheme is tailored exclusively for SBI Home Loan customers.

**Purpose**  
  
Purchase/ Construction of House/ Flat  
  
Purchase of a plot of land for construction of House  
  
Extension/ repair/ renovation/ alteration of an existing House/ Flat  
  
Purchase of Furnishings and Consumer Durables as a part of the project cost.  
  
Takeover of an existing loan from other Banks/ Housing Finance Companies.   
  
**Eligibility**  
**Minimum age** 18 years as on the date of sanction  
  
**Maximum age** limit for a Home Loan borrower is fixed at 70 years, i.e. the age by which the loan should be fully repaid.  
  
Availability of sufficient, regular and continuous source of income for servicing the loan repayment.

**Loan Amount**

 40 to 60 times of NMI, depending on repayment capacity as % of NMI as under -

|  |  |
| --- | --- |
| Net Annual Income | EMI/NMI Ratio |
| Up to Rs.2 lacs | 40% |
| Above Rs.2 lac to Rs. 5 lacs | 50% |
| Above Rs. 5 lacs | 55% |

**To enhance loan eligibility, you have option to add:  
  
1. Income of your spouse/** your son/ daughter living with you, provided they have a steady income and his/ her salary account is maintained with SBI.  
**2. Expected rent accruals** (less taxes, cess, etc.) if the house/ flat being purchased is proposed to be rented out.  
**3. Depreciation**, subject to some conditions.  
**4. Regular income** from all sources.

[](http://www.statebankofindia.com/)  
**Margin**

|  |
| --- |
| **Purchase/ Construction of a new House/ Flat/ Plot of land:**  20% for loans up to Rs.30 Lacs,  20% for loans above Rs.30 lacs and up to Rs.75 lacs. 25% for loans above Rs.75 lacs. |
| (w.e.f. 01.01.2009) |
|  |

[****](http://www.statebankofindia.com/)   
**HOME LOANS - INTEREST RATES**

**- SBI Special Home Loan Scheme –**

**(w.e.f. 16.12.2008 and valid up to 30th June 2022)**

**For Loans up to Rs.5 Lac** – 8.5% p.a. fixed rate with reset every 5 years\* from the date of disbursement of first installment.

**For Loans above Rs.5 Lac and up to Rs.20 Lacs** – 9.25% p.a. fixed rate with reset every 5 years\* from the date of disbursement of first installment.

\*Option to customer at the end of 5 years to convert into floating rate. Reset or conversion will be at the rates prevailing at the time of reset.

**SBI Happy-Home Loan Offer** for new loans sanctioned on or after 2nd February 2022 and at least partially disbursed on or before 30th April 2022 –

Interest rate 8% p.a. (Frozen) for a period of one year. Interest rate will be reset after one year as per contracted rate at the time of sanction of loan as under-

**Processing Fee**  
0.50% of Loan amount with a cap of Rs.10,000/-(including Service Tax)  
  
**Pre-closure Penalty**  
No penalty if the loan is pre-closed from own savings/windfall gains for which documentary evidence is produced by the customer.  
  
In case, such proof is not produced by the borrower, penalty @2% on the amount prepaid in excess of normal EMI dues shall be levied if the loan is pre-closed within 3 years from the date of commencement of repayment.  
  
**Security**

Equitable mortgage of the property

Other tangible security of adequate value like NSCs, Life Insurance policies etc., if the property cannot be mortgaged

**Maximum Repayment Period**

 For applicants up to 45 years of age: 25 years

 For applicants over 45 years of age: 15 years

**Moratorium**  
  
Up to 18 months from the date of disbursement of first instalment or 2 months after final disbursement in respect of loans for construction of new house/ flat (moratorium period will be included in the maximum repayment period)

**Disbursement**

 In lump sum directly in favor of the builder/ seller in respect of outright purchase

 In stages depending upon the actual progress of work in respect of construction of house/ flat etc.

[](http://www.statebankofindia.com/)  
**Documents**

 Completed application form

 Passport size photograph

 Proof of Identity – PAN Card/ Voters ID/ Passport/ Driving     License

 Proof of Residence – Recent Telephone Bill/ Electricity Bill/ Property tax receipt/ Passport/ Voters ID

 Proof of business address in respect of businessmen/ industrialists

 Sale Deed, Agreement of Sale, Letter of Allotment, Non-encumbrance certificate, Land/ Building Tax paid receipt etc. (as applicable and subject to satisfaction report from our empanelled lawyer)

 Copy of approved plan and approval from the Local Body

 Statement of Bank Account/ Pass Book for last 6 months

[](http://www.statebankofindia.com/)

HDFC Bank

HDFC Bank brings, HDFC home loans to your doorstep. Over 3 decades of exclusive experience, a dedicated team of experts and a complete package to meet all your housing finance needs, HDFC Home Loans, help you realize your dream.

**Home Loan** - Home loans for individuals to purchase (fresh / resale) or construct houses. Application can be made individually or jointly. HDFC finances up to 85% maximum of the cost of the property (Agreement value + Stamp duty + Registration charges) based on the repayment capacity of the customer

**Home Improvement Loan** - HIL facilitates internal and external repairs and other structural improvements like painting, waterproofing, plumbing and electric works, tiling and flooring, grills and aluminum windows. HDFC finances up to 85% of the cost of renovation (100% for existing customers) subject to market value of the property.

**Home Extension Loan** - HEL facilitates the extension of an existing dwelling unit. All the terms are the same as applicable to Home Loan.

**Land Purchase Loan** - Be it land for a dream house, or just an investment for the future, HDFC Land Purchase Loan is a convenient loan facility to purchase land. HDFC finances up to 85% of the cost of the land (Conditions Apply). Repayment of the loan can be done over a maximum period of 15 years.

**HOME LOAN PRODUCTS OF ICICI BANK**

ICICI Bank home loan provides not just the most competitive interest rates & best level of service, but also products designed to cater to the specific needs of consumer. New products / New features in existing products are introduced based on customer feedback. Choose the ICICI Bank Home Loan that suits your needs.

**HOME LOANS**

Home Loans are provided to individuals to own a residential property.  
  
ICICI Bank offers easy home loans for

* First Purchase in ready construction
* Under construction property
* Purchase in re-sale
* Self construction & extension of existing living space

The following are the features of ICICI Bank Home Loans

* Home loan amount can be chosen to suit specific needs
* One can avail of a loan up to 85% of Cost of Property
* Conveniently pay off the loan over a period of up to 25 years

It can be availed at the Floating rate of Interest or at the Fixed rate of Interest or at the combination of both Fixed & Floating rates

**LAND LOAN**

Land loans give an opportunity for individual customer to purchase a residential plot of land to do self- construction. Thus, customer can invest now in a plot of land & build in future. The Land loan can be financed only within municipal limits or in case of direct allotment outside municipal limits by DA.   
  
Land Loan can be availed by Resident Indian whether Salaried or Self-Employed and also by Non- Resident Indian.

**HOME IMPROVEMENT LOAN**  
Home Improvement Loan is offered to facilitate improvement of a self owned dwelling unit to existing or new customer. HIL considers a range of facilities internal or external to the structure without increase in the living pace. Thus, a customer can add or improve facilities to his dwelling unit with a loan at Home Equity Loan rate of interest   
  
Home Improvement Loan can be availed by Resident Indian whether salaried or Self-Employed.

**OFFICE PREMISES LOAN**

Office Premises Loan can be used for purchase, construction, extension & also **for** improvement (at the time of acquisition of office premises). It creates an opportunity to extend loans to self employed individuals to house their profession or business giving a permanent address for generating steady flow of income. The product can also include the estimate of renovation at the time of purchase of the property. This loan is especially meant for self-employed professionals like Doctors, Architects etc.   
  
Home Loans can be availed by Resident Indian who are Self-Employed and also by Non- Resident Indian who are Salaried.

**EMI under construction:**  
  
EMI Under Construction is offered for structuring a home loan to enable individuals to commence his EMI in a partly disbursed under construction project. Commencement of EMI ensures re-payment towards principal amount leading to savings in interest and faster repayment of the loan. The EMI paid is as per the sanctioned loan amount and remains constant during the tenure of the loan. The tenure of the loan keeps moving up with additional amount being disbursed.   
  
EMI under Construction can be availed by Resident Indian whether Salaried or Self-Employed and also by Non- Resident Indian.

**Balance transfer:**  
Balance Transfer is a facility offering the customer a choice to transfer the outstanding balance of the loan availed for better terms & conditions. Balance Transfer helps to move from higher rate of interest to lower rate of interest or increase in loan component as Top up. BT is possible only from loans taken from HFCs approved by NHB for refinance, Banks or employer Loans taken from Central or State Government.   
Balance Transfer can be availed by Resident Indian whether Salaried or Self-Employed

**Money saver:**  
Money Saver account is a home loan account with transaction facility. The account holder can deposit & withdraw to the extend of balance maintained. On the commencement of EMI, the interest will be calculated on the outstanding debit balance. Thus, the home loan account holder maintaining large balance in the Money Saver account can save on the interest paid by faster repayment. This means one can pay less & repay loan faster.   
This product can be offered only in case of first and final disbursement – Part disbursement cases cannot be offered this product. Money Saver would be available at Floating Rates only & Fixed EMI per lac per month would be applicable. IT certificate in the case of Money Saver is not issued.   
Money Saver can be availed by Resident Indian whether Salaried or Self-Employed

**TOP-UP LOAN**Top Up Loan can be availed time and again for various personal requirement based on value of the property. It offers the customer additional funds against the security of the same property. To avail Top Up loan, the vintage of at least six months is required for the loan availed. The basic eligibility emerges with good repayment track record. The end use letter is essential to be collected.

The End use of Top Up Loans can be used for the following use cases -

* Furnishing of home
* Consumer durable
* Child’s education
* Daughter’s marriage
* Family holiday
* Vehicle

Any other personal requirement of the borrower provided it is not speculative or illegal in nature   
This product is applicable to fully disbursed cases with no post- disbursement document pending   
This product is priced more than base home loan rates but lower than any personal loan rates.   
Top Up Loan can be availed by Resident Indian whether Salaried or Self-Employed.

**LOAN ON PHONE**

Loan on Phone is a pre sanctioned loan. Its is based on the existing relationship of the customer with ICICI Bank. The biggest advantage is that the customer can get the loan with minimum documentation. Good banking transactions and repayment records becomes a strength for availing loans in future.   
Loan on Phone can be availed by Resident Indian whether Salaried or Self-Employed

**HOME EQUITY LOAN**

Loan against property gives the owner of residential or commercial premises to leverage on the value of the property. It offers the ability to unlock funds gives the advantage of looking at the asset as a source of security bringing liquidity and retaining ownership.

In case of HEL the property should be self occupied by one of income considered applicants. The security of the property ensures competitive rate of interest. The interest component of the EMI paid by SEP / SENP can be booked as expenses in their Profit & Loss statement.

Home Equity Loans are provided for many personal requirements of the customer viz. –

* Marriage
* Child Education
* Business
* Purchase of Property (Where mortgage is not possible)
* Improvement of Property
* Medical Treatment

Home Equity Loans can be availed by Resident Indian who are Self-Employed and also by Non- Resident Indian who are Salaried.

Property overdraft  
The overdraft facility from ICICI Bank allows you to borrow money against your self occupied property. The overdraft facility comes with a multi-city cheque book and phone banking facility. The customer is charged interest only for the amount that he withdraws from the account. Whenever he deposits funds into the account, they go towards reducing the outstanding balance in the account.

It offers the following benefits: -

* Generating capital against property (R) or (C) for business or personal use
* Convenience of Pre - Sanctioned limit and draw as you need
* Pay interest on the amount drawn and for days utilized
* Convenience of depositing & withdrawing like any Current Account
* Benefit of Cheque Book & Phone banking
* Fast Processing and door-step service
* Multi-city cheque book and phone banking facility

Property Overdraft can be availed by Resident Indian who are Self-Employed

**STEPS OF TAKING A LOAN:**

Q. What are the major steps involved in the process of taking an ICICI Bank Home Loan?

There are two phases in the home loan process:

# Sanction of the loan – this phase has already taken place in your case.

**Disbursement of the loan –** where you will receive the loan amount that has been

Sanctioned to you (in full or part as requested by you).

**Q. What are the fees that I have to pay?**

There are two types of fees that you are required to pay:

* 1. **Processing fee –** this is to be paid at the time of application, you would have already paid this fee before sanction.
  2. **Administration fee –** this is to be paid before disbursement. This amount is usually deducted from the amount disbursed.

## **DISBURSEMENT PROCESS AND DOCUMENTS:**

The main steps of the disbursement process are as follows:

1. When you need a disbursement, you call your Relationship Officer (RO) / DMA (the phone number is mentioned in your sanction letter).
2. The RO will ask you to compile a list of **property related documents**.
3. The list would vary depending on the type of purchase. For example, the list of property related documents for a direct purchase from builder would be different from the list in case the property is purchased in resale. the detailed list of property documents is mentioned in the **“Procedures and Drafts”** booklet. Ask your home loan executive for your copy of the booklet.
4. You are required to submit an “Own Contribution Receipt” before disbursement. This receipt would be obtained from the builder/society/ seller as your case may be. this would serve as proof of your own contribution towards the purchase.
5. Besides the property related documents you will have to execute a standard set of **loan documents** with ICICI Bank. The loan documents include a loan agreement, demand promissory note and a declaration. These will be provided by us.
6. Any other special condition mentioned in your sanction letter would have to be complied with before any disbursement can be made.
7. Once all the documents are in place, you would need to fill up the following documents which will be provided by us:
   1. **A Letter from the borrower** (application only for adjustable-rate loans) – this explains how adjustable interests’ rates can change during the period of loan.
   2. **A disbursal request form –** Where you need to provide a few details such as agreement value, stamp duty, property address and details and disbursal details.
   3. **A cheque submission form -** in this you need to provide details of the Post-Dated Cheques (PDC) that you want to submit

8. A disbursal request form and the cheque submission form have to be submitted at every subsequent part disbursal.

9. Till the time the final disbursement is made, you will have to pay Pre EMI (explained in details in section C). Once the final disbursement is made you will have to provide with 36 Post Dated Cheques (PDCs) as Equated Monthly Installments.

**No Objection Certificate (NOC)?**

It is a letter from the original legal owner that allows you to take a loan on the property. In cases where property is being purchased from a development authority/housing board/ builder/ co-operative housing society, an NOC is required. Only an NOC can enable us legally to create the security against which we can provide a loan.

Yes, the NOC has to be submitted in the format as prescribed in the “Procedures and Drafts” booklet.

1. **REPAYMENT PROCESS AND DEFINITIONS:**

**Repayment of the loan**

**On part disbursement:** you will have to pay Pre-EMI interest until final disbursement.

**On full disbursement:** you will have to pay EMI consisting of both interest and principal.

**Q. What is an EMI?**

You repay the loan in Equated Monthly Installments (EMIs) comprising principal and interest. Repayment by way of EMI commences from the month following the month in which you take full disbursement. For example, if the loan is fully disbursed to you in April 2002, the EMIs will start from May 2002. The EMIs are paid by means of Post-Dated Cheques (PDCs) drawn in favor of ICICI Home Finance Co. Ltd. Or ICICI Bank Limited as told to you.

**Q. How are EMIs calculated?**

EMIs are calculated using the following formula:

1 Loan amount r (1+r) n

12

(1+r) n - 1

Where r = interest rate at which you have taken the loan

n = tenor of the loan

Moreover, EMIs are calculated on monthly reducing balance. This means that you are charged interest only on the outstanding principal every month. To give an example, suppose you have taken a loan of Rs 1,00,000 for 5 yrs and after the first month you have paid an EMI of Rs 2,149. of this, Rs 1,274 goes towards paying principal and Rs 875 goes towards paying interest. During, the second month, your outstanding principal is Rs 98,726. So far, the second month, you will be charged interest on this amount, and not on Rs. 1,00,000. Therefore, in the second month, only Rs 864 will go towards paying interest. The rest of the EMI (Rs 1,285) will go towards reducing your principal. this calculation will be done each month.

**Q. How do I pay my EMI?**

**Option 1 – Post Dated Cheques**

You can pay your EMI by means of Post-Dated Cheques. A minimum of 36 PDC`s are to be submitted. If you are an NRI customer then the cheques are to be submitted for the entire tenor.

**Option 2 – Auto Debit Facility**

**(ICICI Bank salary account holders)**

If you have a salary account with ICICI Bank, you can give a mandate to ICICI Home Finance Co. to directly debit your salary account.

However, you would be asked to provide 3 undated EMI cheques. To know more about debit facility, please talk to your relationship officer.

**Q. What is Pre-EMI? How is it Calculated?**

Before final disbursement is made, you pay simple interest on the portion of the loan that has already been disbursed to you. This interest is called Pre-EMI interest. Pre-EMI payments should be made by the last day of every month.

Pre-EMI is calculated with the following formula:

(Amount disbursed till date \* Rate of interest \* No. of days remaining in the month)

**Option 1 – Drop Boxes**

You can pay your Pre-EMI by means of cheque in favor of ICICI Bank Limited or ICICI Bank Limited as the case might be. You need to fill the Pre-EMI deposit slip, attach the same to the cheque and drop it in the drop boxes as per the list available in the **“Instructions and Directory”** booklet. The booklet would be available to you after the first disbursement along with the Welcome letter issued to you.

For the places where the Skypak drop boxes are not available the same need to be given on or before the due date at the HFC branch.

**Option 2- Post Dated Cheques (selected cities)**

In the following locations you have to pay his Pre-EMI by means of Post-Dated Cheques. 3 Post Dated Cheques will be collected at a time, and these

would be replenished at every part-disbursement, or after the 3 cheques have been exhausted.

**Option 3 – Cash Payment**

You also have an option of paying your Pre-EMI, penal charges and in specific instance your EMI by cash. You have to fill in a pay-in slip and deposit it along with the cash at the nearest ICICI Bank branch.

The welcome letter will carry the 3 samples of bank pay-in slips and an instruction note for usage. To know more about this facility, please talk to your relationship officer.

**Q. How do I replenish the exhausted PDCs?**

If your PDCs get exhausted then you can approach the nearest HFC branch office and cheques should be handed over at the branch. Also, ensure that the dates are dated as 1st or 7th as the case.

**Q. What if the EMI cheque bounces?**

On the bounce of an EMI cheque, the same cheque is represented by us for payment. On clearance of the same, you are still requested to pay penalty for the cheque bounces again on representment, then you are liable to pay the EMI by cash / D.D. along with the bounce charges. You will also have to pay interest on the delayed payment at the rate mentioned in the agreement.

**Q. What is an amortization schedule?**

An amortization schedule is a table giving the reduction of your loan amount by monthly installments. The amortization schedule gives the breakup of every EMI towards repayment interest and outstanding principal of your loan. You can obtain the amort schedule at any point of time of the loan.

### **PRE- PAYMENT**

Approaching the ICICI HOME FINANCE COMPANY branch in your city can make pre- payment. The pre- payment will require you to give a cheque favoring ICICI Home Finance Company Ltd. Or ICICI Bank, as your case may be, for the amount you want to pre-pay. Along with the cheque you will have to give a letter indicating whether you would like to change your EMI or tenor of the loan after pre-payment.

**Change of Tenor:** After any pre- payment is made, by default, the tenure of the loan gets reduced and the EMI is kept constant.

**Change of EMI:**  While the default option is that your tenure gets changed, you can choose to change your EMI instead, and keep tenor constant, thereby reducing your monthly outflow. In case you opt for the change in EMI then you need to pay Rs.500/- as the swapping charges of PDCs.

The part pre- payment usually takes:

**.** Change of tenor**: 5** days

**.** Change of EMI: **15** days

1. **TAX BENEFITS**

**Interest repaid:** Deduction under section 24 of the income borrowed for acquisition, construction, repairs, renewal or reconstruction of houses.

In case of self-occupied property, deduction is allowed at Rs. 1,50,000 p.a. for self-acquired or constructed with capital borrowed after

March 31, 1999 as long as the acquisition or construction is completed within 3 years from the end of the year in which such loan is taken.

**Principal repaid:** Rebate under section 88(2) of the Income tax Act is available to individuals on repayment of the principal portion as given below:

#### Gross total income before Rebate available

**Deduction**

##### Up to Rs. 1,50,000 20%

More than Rs. 1,50,000 but not

Exceeding Rs. 5 lakh 15%

More than Rs. 5 lakh none

Moreover, the rebate is allowed up to the maximum limit of Rs. 20,000.

As per the IT rules, only one certificate can be issued for a home loan and hence one certificate will be issued in the name of both applicant and co-applicant.

IT certificate will be issued at the end of a financial year. You can expect to receive your copy of IT certificate in the months of April or May.

You can request for a provisional income tax certificate that can be issued any time during the course of the year.

**Eligibility**

**For, Home loan**

**Land loan**

**Office Premises loan**

**HOME EQUITY LOANS – loan against property**

**Home loan**

* 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.

**Land loan**

* 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.
* You must be purchasing a plot of land for residential use.
* The purchase has to be from a development authority or from a registered co-operative society.
* The purchase of the land must be for the construction of a house.
* The plot of land must be clearly demarcated with clear boundaries.

**Office premise loan**

* 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.
* You must be self-employed with a regular source of income.
* The loan can be for the purchase / construction / extension of a non-residential property.
* A loan for renovation or improvement will be given only at the time of acquisition of property.
* Professionally qualified and self-employed individuals (doctors, pathologists, chartered accountants, cost accountants, company secretaries, architects, engineers, consultants, lawyers, chemists) can apply.
* A minimum of 3 year’s work experience is a must.

**Home Equity Loans**

* 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.
* Your must be employed or self-employed with a regular source of income.
* You must be the owner of a self-occupied property.

**Loan Amount**

A number of factors are taken into account when assessing your repayment capacity. Your income, age, number of dependants, qualifications, assets and liabilities, stability/ continuity of your employment/ business are some of them.

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

* If your spouse is earning, put him/her as a co-applicant. The additional income shall be included to enhance your loan amount. Incidentally, if there are any co-owners they must necessarily be co-applicants.
* Did you know that your fiancée's income can also be considered for sanctioning the loan on your combined income? The disbursement of the loan, however, will be done only after you submit proof of your marriage.
* Providing additional security like bonds, fixed deposits and LIC policies may also help to enhance eligibility**.**

While there is no need for a guarantor, it could be that having one might enhance your credibility with us. If so, our loan officer would provide you with the necessary details. 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.

Also, when the company looks at the total cost, registration charges, transfer charges and stamp duty costs are included.

**Sanctioning**

**PROCESS**

Normally it would take 4-7 days for the sanction process from the date of receipt of all the documents at IHFC (ICICI Housing Finance Company):

* You call us.
* Our representative visits you and explains the loan process.
* You provide us with income and personal documents as listed in the brochure.
* Our representative visits you to validate information.
* Documents are credit appraised and decision taken on the sanction of the loan.
* Our offer letter along with a list of legal documents required is to delivered to you

**Documents Required**

 Passport size photograph.

 Age verification: PAN card, Voters ID, Passport, License.

 Bank statement for the last six months.

 Income Documents e.g. Latest Form 16, Certified IT returns for latest 3 years.

 Processing Fee cheque.

* Loan Enclosure letter.

These are the documents required for sanctioning a loan. You may be asked to submit further legal documents if required by ICICI or its approved lawyers.

Do retain photocopies of all documents being submitted by you.

**Disbursement**

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.

While you may be under the impression that the list of documents asked for is rather extensive, please note that it is for your own good. Each and every single document asked for will be verified and checked to ensure your safety.

This may take some time but we want to ensure a clear title and will complete all the legal and technical verifications to ensure that you have full rights to your home.

The 230 A Clearance of the seller and / or 37I clearance from the appropriate income tax authorities (if applicable) is also needed.

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.

The disbursement will be in favor of the builder/seller.

**List of documents needed for disbursement**

Standard documents:

** Loan Agreements**

** Disbursement Requests**

** Post-dated cheques**

** Personal guarantor’s documents, as the case may be**

Some documents are specific to each state. For further information, please contact the nearest office.

Normally it would take 4-7 working days for the disbursement process from the date of receipt of all the documents at IHFC:

* When you need a disbursement, you call us.
* Our representative visits you and collects Legal Documents, Loan Documents and PDC`s from you.
* An IHFC lawyer vets the legal documents.
* An IHFC Site Engineer visits the property to verify the stage of construction.
* Disbursement cheque is prepared.
* The disbursement cheque is delivered to you.

**Guidelines for drawing Post Dated Cheques (PDC`s):**

We request you to kindly note the following guidelines while issuing postdated cheques:

1. Please issue 36 PDCs at the time of final disbursement. In case of NRIs please issue 60 PDCs at the time of final disbursement.
2. Please fill the amount of the EMI as mentioned in the sanction letter or as indicated by you by IHFC.
3. The cheques should be:
   1. Drawn in favor of “ICICI Home Finance Co. Ltd.”
   2. Crossed and marked “A/c Payee only “.
4. Cheques have to be dated similarly for each month (e.g. 1/1/2003,

1/2/2003 and so on).

1. Please ensure that the cheques are in serial number (e.g. cheque no. 1 is dated 1/1/2003, then cheque no. 2 is dated 1/2/2003 and so on).
2. While issuing PDCs please ensure that:
   1. All cheques carry your signature.
   2. Each cheque carries your Savings/Current A/c No. and branch details.)
3. In case of overwriting or correction/s on the cheque, please sign in full at the place of overwriting or correction/s.
4. Please ensure that adequate balance is maintained in the account from which the PDCs are issued.

**List of the property documents to be submitted by the borrowers:**

**Documents to be submitted if the property is –**

1. **Constructed on a freehold plot:**
   1. Original stamped and registered sale deed in the borrower’s favor.
   2. All previous Registered Sale Deeds in original.
   3. Advocate’s Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances, if any along with the search fee receipt.
   4. Stamped undertaking from the borrower stating that Form D and completion certificate shall be given to IHFC/ the security trustee nominated by IHFC as and when received by him.
   5. Proof of the payments made to the seller for purchase of the plot.

**B.1 In cases where the plot is purchased/ leased from DDA, NOIDA, Greater NOIDA, GDA.**

1. Registered Sale/ Lease Deed in the borrower’s favor in original.
2. Permission to mortgage in favor of IHFC/ its security trustee from the appropriate authority such as DDA, NOIDA, Greater NOIDA, GDA., etc.
3. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances, if any along with search fee receipt.
4. Stamped undertaking from the borrower stating that Form D and completion certificate shall be given to IHFC/ its security trustee as and when received by him.
5. Proof the payments made to the relevant authority till date.
6. **2 In cases where the plot is purchased / sub- leased from Co-operative Housing societies.** 
   1. Registered Sale/ Lease Deed in the borrower’s favor in original.
   2. Permission to mortgage in favor of IHFC/ its security trustee from the appropriate authority such as DDA, NOIDA, Greater Noida, GDA., etc.
   3. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances, if any along with the search fee receipt.
   4. Stamped undertaking from the borrower stating that Form D and completion certificate shall be given to IHFC as and when received by them.
   5. No Objection Certificate (NOC) from the society.
   6. Proof of the payments made to the society till date.
7. **Constructed on Plot allotted by Haryana Urban Development Area (HUDA).**
   1. Allotment letter in original.
   2. Possession letter in original.
   3. Stamped and registered conveyance deed in original.
   4. Permission from HUDA to mortgage the plot in favor of IHFC (in HUDA`s format).
   5. Non-encumbrance certificate from HUDA.
   6. Proof of the payments made to HUDA till date.
   7. DPC/ Roof level certificate from HUDA.

DPC is the Damp Proof Course Certificate given by HUDA when construction at plinth level reaches 18 inches or when roof level is reached. The DPC or Roof Level Certificate indicates that heights and depths of the construction have been maintained according to the sanctioned plan. On completion of the construction, this is re-checked by HUDA.

**Additional documents to be submitted in the cases where the plot is acquired by way of gift/ transfer.**

* 1. Re-allotment Letter.
  2. Transfer Permission from HUDA in original.
  3. Previous Conveyance Deeds in original.
  4. Transfer Deed in original-stamped and registered with HUDA.

1. **Flat is being purchased from Delhi Development Authority (DDA)**
   1. Allotment/ allocation letter issued by DDA in original. The terms of allotment attached to it should also be submitted.
   2. All challans for payments made to DDA in original.
   3. As per DDA`s allotment letter, you have to inform DDA in case you mortgage the property. You are therefore, requested to intimate DDA by a letter that you are creating mortgage in favor of IHFC and submit to us the letter duly acknowledged as received by DDA.
   4. In recent times a conveyance deed is being executed with DDA. Wherever applicable, the original registered deed must be submitted.
   5. Stamped undertaking from borrower to hand over the possession letter and conveyance deed as and when it is received by him.

**In case of resale on a freehold flat, all the above-mentioned documents must be submitted along with:**

1. Stamped and registered conveyance deed between the seller and the borrower in original.
2. Original receipts for the payments made to the seller till date. You are required to spend your own contribution i.e. the agreement value less IHFC`s loan before IHFC can disburse the amount in part or in full.
3. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances, if any along with search fee receipt.
4. **A flat is being purchased from Development Authorities of various cities, Housing Boards, Improvement Trusts, GDA, NOIDA, Greater NOIDA, etc.** 
   1. Allotment/ allocation letter issued by the Housing Authority in original.
   2. Permission to mortgage the house in favor of IHFC/ its security trustee from the Housing Authority in original.
   3. All demand letters for payments to the Housing Authority in original.
   4. All receipts for payments made to the Housing Authority in original.
   5. Stamped undertaking from the borrower to handover Possession letter and conveyance deed as and when it is received by him.

**In case these flats being sold in resale, all the above-mentioned documents must be submitted along with-**

1. Stamped and registered conveyance deed between the seller & the borrower in original.
2. Original receipts for the payments made to the seller till date. You are required to spend your own contribution i.e. the agreement value less IHFC`s loan before IHFC can disburse the loan amount in part or full.
3. Permission to mortgage in favor of IHFC/ its security trustee from the concerned authority if the property is a leasehold property.
4. **A flat is being purchased directly from the builder- IHFC finances flats constructed on freehold plots only, where the builder is the owner of the land** 
   1. Original stamped agreement with the builder.
   2. Original receipts for the payments made to the builder till date. You are required to spend your own contribution i.e. the agreement value less IHFC`s loan before IHFC can disburse loan amount in part or in full.
   3. No Objection Certificate (NOC) from the builder on his letter head.
   4. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances if any, on the plot which should be available with the builder.
   5. Approved plan and sanction letter from the concerned authority.
   6. Certificate from the builder stating the cost of the flat/ house type schedule of payment, etc.

**In case of these flats being sold in resale-**

* + 1. The seller has a registered sale deed in his favor. In this case the borrower has to submit-
    2. Stamped and registered original sale deed between the builder and the seller.
    3. Original stamped Sale Agreement between the seller and the borrower.
    4. Stamped and registered conveyance deed between the seller and the borrower in original as and when executed.
    5. Own Contribution Receipts from the seller for the payments received by him from the borrower in original.
    6. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrances if any, on the plot which should be available with the builder.

The disbursement will be made in the seller’s name and the cheque will be released to him by IHFC`s representative at the sub-registrar’s office, when the seller signs the sale deed and hand it over to the sub-registrar for registration. The original registration receipt is collected by the representative and given back to IHFC.

(ii) The seller has only an agreement to sell between him and the builder. In this case he must submit-

1. The original stamped Sale Agreement between seller and the borrower.
2. Stamped and registered conveyance deed between the builder and the borrower in original as and when executed. Since no sale deed was made between the builder and the borrower.
3. Own Contribution Receipts from the seller for the payments received by him from the borrower in original.
4. Letter from the builder on his letter head.
5. Advocate's Title Report for the last 13 years in detail indicating the chain of ownership and encumbrance if any, on the plot which should be available with the builder.
6. **Flat acquired as a member of a Coop-Group Housing Society**
   1. Share certificate issued by the society in original.
   2. All receipts of the payments made to the society in original. You are required to spend your own contribution i.e. cost of the flat minus IHFC`s loan before IHFC can disburse the loan amount in part or in full.
   3. No objection certificate (NOC) from the society on its letter head.
   4. Certificate from the society stating the cost of the flat along with the schedule of payment.
   5. Copy of the Bye-Laws of the society.
   6. Copy of the Lease Deed in the name of the society.
   7. Copy of the Approved plan.
   8. Location sketch of the society, if possible.
   9. Copy of the list of members of the society where the borrower’s name appears as an original member, if possible.

10. Stamped undertaking from the borrower to hand over the possession letter and the conveyance lease deed as and when received by him.

In case of these flats being sold in resale, all the above-mentioned documents must be submitted along with-

1. Transfer of share certificate in the borrower’s favor in original.
2. Own contribution receipts from the seller for the payments received by him from the borrowers in original.
3. Stamped undertaking from the borrower for submission of conveyance deed to IHFC/ its security trustee as and when received by him.

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| **Interest Rates for Resident Indians**  **Adjustable-Rate Loans:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer).   * [Adjustable-Rate Home/Land Loans](http://icici.com/pfsuser/loans/homeloans/#arhl) * [Adjustable Office Premises Loan](http://icici.com/pfsuser/loans/homeloans/#arpl) * [Home Equity Loans - Loan Against Property](http://icici.com/pfsuser/loans/homeloans/#arlap)   **Fixed Rate Loans:**   * [Home loan](http://icici.com/pfsuser/loans/homeloans/#hl) * [Land loan](http://icici.com/pfsuser/loans/homeloans/#ll) * [Office Premises Loan](http://icici.com/pfsuser/loans/homeloans/#opl) * [Home Equity Loans - Loan Against Property](http://icici.com/pfsuser/loans/homeloans/#lap) |

**Adjustable-Rate Loans**

**Home Loans/Land Loans:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer)  
ICICI Bank Home Loans announces its Special Interest Rates. These interest rates are valid for new home loans for a limited period only. The interest rate on these loans is linked to the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail) and moves up or down with the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail) The ICICI Home - PLR for ICICI Home Loans is currently 10.25% per annum. The EMI table for ARHL is given below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Tenure (yrs)** | Rate of Interest \* | | EMI per Lac | | |
| Up to 5years | **8.00%**# | | 2028 | | |
| 6 - 10 years | **8.75%** | | 1254 | | |
| Floating rate | | | | | |
| 11 - 20 years | **9.25%** | | 916 | | |
| Floating rate | | | | |
| **Tenure (yrs)** | | Rate of Interest | | EMI per Lac |
| 5 | | **12.00%** | | 2225 |
| 10 | | **12.00%** | | **1435** |
| 15 | | **12.00%** | | **1201** |

* **Interest Calculated on basis of monthly rest. Interest Calculated on basis of monthly rest.**
* **Maximum Tenure of 20 years.**
* **0% \* Processing Fee.**

**Office Premises Loan:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer)

The current rate of interest for these loans is 12.00% for all tenures. The interest rate on these loans is linked to the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail) and moves up or down with the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail). The EMI table is given below

* **Maximum Tenure of 15 years.**
* 0% \* Processing Fee.
* **A pre-payment fee of 2% on the amount prepaid, either in part or full.**

**Home Equity Loans:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer)  
  
The current rate of interest for these loans is 11.50% for residential property and 12.50% for commercial property. The interest rate on these loans is linked to the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail) and moves up or down with the [ICICI Home PLR](http://icici.com/pfsuser/loans/homeloans/#retail). The EMI table is given below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Residential Floating | | Commercial Floating | |
| Tenure (yrs) | ROI | EMI/lac | ROI | EMI/lac |
| 5 | 11.50% | **2200** | 12.50% | **2250** |
| 10 | **11.50%** | **1406** | **12.50%** | **1464** |
| 15 | **11.50%** | **1169** | **12.50%** | **1233** |

* **Interest Calculated on basis of monthly rest.**
* **Maximum Tenure of 15 years.**
* 0% \* Processing Fee.
* **No fee for part prepayment.**

**Fixed Rate Loans**

**Home Loan:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer)

ICICI Bank Home Loans has now brought Fixed Rate Home Loans at par with Adjustable-Rate Home Loans, starting from January 17, 2003. The EMI table for Fixed Rate Home Loans is given below:

|  |  |  |
| --- | --- | --- |
| Fixed rate | | |
| **Tenure (yrs)** | Rate of Interest | **EMI per Lac** |
| Up to 5years | **8.75%** | 2064 |
| 6 - 10 years | **9.25%** | 1281 |
| 11 - 15 years | **9.75%** | 1060 |
| 16 - 20 years | **9.75%** | 949 |
| **21- 30 years** | **10.25%** | **897** |

* The interest rate is calculated on a monthly reducing basis.
* 0% \* Processing Fee.
* No fee for part prepayment.

**Land Loan:** [Special offer - 0% processing fee](http://icici.com/pfsuser/loans/homeloans/#offer)

ICICI Bank Home Loans has dropped interest rates on Land Loans, starting from January 17, 2003. The EMI table for Land Loans is given below:

|  |  |  |
| --- | --- | --- |
| **Tenure (years)** | Interest Rate (% p.a.) | **EMI per Lac** |
| Up to 5years | **8.75%** | 2064 |
| 6 - 10 years | **9.25%** | 1281 |
| 11 - 15 years | **9.75%** | 1060 |
| 16 - 20 years | **9.75%** | 949 |

* The interest rate is calculated on a monthly reducing basis.
* 0% \* Processing Fee.
* **No commitment fee.**
* **No fee for part prepayment.**

**Repayment**

**What is the repayment tenure?**

 Loan against property - Maximum loan tenure of 15 years.

 Office premise loan - Maximum loan tenure of 15 years.

 Home loan - Maximum loan tenure of 30 years.

**How is the loan repaid?**

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

**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.

**When does the repayment start?**

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

**How is the EMI paid?**

The EMI is to be paid every month through post-dated cheques (PDCs) or direct deductions from your salary. If you are opting for PDCs, then you will have to provide 36 upfront. The PDCs are to be dated on the 1st of every month. However, if you receive your salary a few days later, no problem. We provide the flexibility of dating the cheques for the 7th of the month.

**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.

**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.

**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.

**Application Process**

The moment you decide to buy a home, you can put in your application. Yes, you can apply for a 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 has home loan 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.

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

And, neither would we charge you extra for this delay.

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

**ANALYSIS AND INTERPRETATION**

What is your monthly income?

a) 5000-10000 b) 10000-20000   
c) 20000-30000 d) 30000-50000  
e) >50000

. What attracts you to take loan from ICICI BANK?

a) Tax Benefit b) Rate of Return   
c) Flexibility d) Transparency e) Reliability

. Have you heard about ICICI HOME LOAN?  
Yes No  
If YES then through:  
a) Print media b) Electronic media   
c) Financial advisors d) Word of mouth  
e) Old customers

. Are you satisfied with the tax benefit given by ICICI BANK?

a) Satisfied b) Not satisfied

8.Your reasons for choosing ICICI HOME LOAN as your HOME SECURITY?  
a) Brand name b) Value for money   
c) Prior experience with the company d) Product variety

9.Which company do you perceive as the best loan provider company?  
a) HDFC Standard Life b) Aditya Birla Sun Life  
c) Bajaj Allianz d) SBI life e) ICICI

. Are you aware of the following features of the ICICI home loan?  
a) AAA Rating  
b) Awarded as “BEST LOAN PROVIDER”  
c) Awarded as “MOST CUSTOMER CENTRIC”

11.. What do you feel about the interest rate offered by ICICI BANK?

a) Very low b) low

c) Moderate d) high e) very

12.Would you like to TAKE FURTHER LOAN IN FUTURE?  
a) Yes b) No

**FINDINGS**

1. ICICI Bank having good brand image in the minds of customers.
2. Majority of the people got loans from ICICI Bank only
3. Most of the customers are not aware of the terms & conditions of ICICI home loans
4. Some of the customer’s felt that the interest rates are some what high
5. Some of the customer not having good faith on private banks
6. Most of the people are directly go to bank to apply a home loan
7. Some of the customer of ICICI already benefited through ICICI home loan products and services
8. Customer awareness is medium about ICICI products.
9. ICICI providing good services to their customers.

**CONCLUSION**

* In my study we came to know that many peoples are interested to take a home loan from ICICI bank to construct their homes.
* Home loans have long period when compare to other personal loans and other loans. So, peoples are confused to take a home loan.
* The interest rates also some what high when compare to other banks.
* Even though the interest rates are high peoples are willing to take a loan from ICICI bank due to some reasons.
* The loan sanction process is low when compare to other banks.
* For disbursement process is also it will take low time when compare to other banks

# RECOMMENDATIONS

* **Create awareness**: The Company has to take care of awareness creation about the products and services among the customers.
* **Charges**: The Company has to reduce the mortality and administration charges.
* The process is some what late to sanction a loan.
* The company has to reduce their interest rates on home loan products and services.
* The company has to identify the potential customers.
* Production promotion strategies should be improved.
* Company should consider the present competition and should act according to the customer needs.

LIMITATIONS

1. The survey was confined to only certain parts of twin cities, which

Included walk-in customers of ICICI Bank and outsiders.

2. We don’t have sufficient knowledge to close all the deals.

3. Getting the prospective customers are very time consuming.

4. Time to explain the customer about the product inside branch is less.

5. Time Period of my OJT is one of the Limitation.

**ANNEXURE**

I have a questionnaire on ICICI home loan. you can modify accordingly, lease if u have any info on ICICI HOME LOAN then do help me it is very urgent.

QUESTIONNAIRE  
  
NAME:   
AGE:   
GENDER:   
OCCUPATION:   
PHONE NO.:

1. Have you heard about ICICI HOME LOAN?  
Yes No  
If YES then mention the source:  
a) Print media b) Electronic media   
c) Financial advisors d) Word of mouth  
e) Old customers  
  
2. What is your monthly income?  
a) 10,000-20,000 b) 20,000-30,000   
c) 30,000-50,000 d) 50,000-1,00,000  
e) above 1,00,000  
  
3. How much is your annual savings?

4 Have you TAKE ANY LOAN FROM ICICI BANK?  
if yes, mention the TYPE OF LOAN

( )  
if not, mention the reason behind it

* Do not require home loan
* Not fully aware about loan
* Finding difficulty in taking home loan
* Any other reason

( )

6.What attracts you to take loan from ICICI BANK?  
a) Tax Benefit b) Rate of Return   
c) Flexibility d) Transparency e) Reliability

7.. Are you satisfied with the tax benefit given by ICICI BANK?

a) Satisfied b) Not satisfied

8.Your reasons for choosing ICICI HOME LOAN as your HOME SECURITY?  
a) Brand name b) Value for money   
c) Prior experience with the company d) Product variety

9.Which bank do you perceive as the best loan provider bank?  
a) HDFC b) PANJAB NATIONAL BANK

c) SBI d) ICICI

e) Any other Bank ( )

10. Are you aware of the following features of the ICICI home loan?  
a) AAA Rating  
b) Awarded as “BEST LOAN PROVIDER”  
c) Awarded as “MOST CUSTOMER CENTRIC”

11. What you feel about interest rate offered by ICICI BANK?

a) Very low b) low

c) Moderate d) high e) very

12. Would you like to TAKE FURTHER LOAN IN FUTURE?  
a) Yes b) No

13. How high you rate the services of ICICI GROUP?  
Extremely Good Extremely Bad

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