



COMPARATIVE STUDY OF HOUSING LOAN SCHEMES AND FACTORS OF NEW GENERATION BANKS AND NATIONALISED BANKS IN KERALA

Anu Antony

Assistant Professor, Department of Commerce, Kristu Jyoti College of Management and Technology, Kottayam, India.

Abstract

Housing markets have significant forward linkages with financial markets, as well. Mortgage debt accounts for a large proportion of household debt and, through secondary markets and securitization, supports the efficient functioning of domestic and international financial markets. Housing markets are routinely monitored as an important leading indicator of overall macroeconomic activity. The housing finance sector has a tremendous developmental impact, both in terms of providing social stability and in promoting economic development. Housing finance contributes to social stability by enabling households to purchase an asset which will represent their largest single investment. Personal residences account for 75% to 90% of household wealth in emerging market countries, which amounts to 3 to 6 times their annual income. Furthermore, housing represents 15% to 40% of the monthly expenditure of household's worldwide. Investment in housing accounts for 15% to 35% of aggregate investment worldwide. By supporting housing finance, the IFC promotes a successful economic sector and personal savings which entrepreneurs can invest in small businesses. Housing construction and housing related sectors constitute approximately 9% of the labour force worldwide. The main purpose of this chapter is to be evaluating the various housing loan schemes of Nationalized Banks and New Generation Banks.

Key Words: *Housing Finance, Housing, Housing Loan Schemes, Interest Rate.*

INTRODUCTION

Lack of finance for owning a house is the most important problem faced by an ordinary man. Banks and other financial institution are being forward to materialize the dream of construction/owning a house by providing loan.

1. OBJECTIVES OF THE STUDY

The main objectives of the present study are

1. To make intra- sector comparison within the Nationalised Banks and within the New Generation Banks.

2. METHODOLOGY

The data is based on secondary in nature. Secondary data have been collected from International journal, articles and websites of bank.

3. REVIEW OF LITERATURE

The first step in house construction is collecting money to own a house. These days one need not have ready cash to start house construction. There are many financing institutions which give a helping hand in fulfilling one's dream of owning a house. Review of such available literature is presented below.

Housing finance offers safe, secured, profitable and diversified asset portfolio Urbanization has led the 21st century societies to a severe housing problem and hence the problem of housing finance. As Sanjay Gupta states urbanisation has had its toll on Indian Social Matrix, where agriculture -based society residing in indigenously managed conglomerations is gradually shifted to towns and cities. Marginal utility of housing became so high that speculative pricing came into interplay making bare necessity unnecessarily priced.

David Drakakis speaks of the necessity of slum improvement programmes by stating that innovative approaches to the housing shortages of the third world, broadly encompasses government subsidised programmes which are involved in varying degrees, co-operation between the conventional and non-conventional sector.

Bhaskar Rao (2002) draws the attention of the public and private sectors to housing conditions prevalent in India, growing housing needs in the country and estimates requirements of building materials, land and man power. He



also identifies critical areas where policy changes are needed to meet increasing housing needs.

Peter Malpass (1991) depicts the need for housing finance. Housing is unavoidably, expensive to produce. In order to build houses, a builder brings together land, labour and materials, often using borrowed money to finance. He continues his argument by making a distinction between development finance and consumption finance. The former refers to the money which is needed to pay for the initial construction of housing where as the latter refers to the ways in which the households meet the cost of buying or renting. What consumers need is some method of spreading the cost of housing over a long period, thereby reducing the cost to an affordable proportion of regular income.

4. HOUSING LOAN SCHEME AND CONDITIONS OF NATIONALISED BANKS AND NEW GENERATION BANKS.

Conditions for granting loan depends on the type of housing loan, Rate of interest, Tenure of loan.

4.1 Rate of interest

This is the most important factor to select while taking a home loan. The lower the interest rate, the better it is. This is because if the rate of interest is less one would pay less every month towards interest and pay more every month towards principle. A lower interest rate also obviously reduces the monthly payout or the equated monthly instalment .A lower EMI is easier to repay.

4.2 Tenure

The tenure means the period for which the bank offers the loan and the condition is required to repay the loan within that period. Most banks offer home loan for up to 20 years, but some banks also offer home loan for 25 years. A longer tenure means that the EMI would be smaller, and would be eligible for a higher loan amount. But longer tenure also means that it would end up paying more in the form of interest over the life of the loan.

4.3 Processing fee/Administration fee

Bank charges a processing fee to process the home loan application. This is expressed as a percentage of the home loan amount and is usually 0.5%. This is charged irrespective of approval or rejection of home loan. Banks also charge an administration fee for disbursing loan and this is charged only at the time of giving out the home loan cheque. This is also expressed as percentage of the home loan amount, and is usually 0.5%. Table 4.1 shows various housing loan schemes and conditions of SBI and IOB

Table 4.1, Housing Loan Scheme and Conditions of SBI and IOB

Particulars	SBI		IOB	
Loan Amount Minimum Loan Permissible	Lakhs		1 Lakhs	
Maximum Loan Permissible	5 Crore		5 Crore	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to Rs 30 Lakhs	10.75%	Up to Rs 30 Lakhs	9.50%
	Above Rs 30 Lakhs And Up to Rs 75 Lakhs	11.00%	Above Rs 30 Lakhs And Up to Rs75 Lakhs	10.25%
	Above Rs 75 Lakhs	11.25%	Above Rs 75 Lakhs	10.75%



Period/Tenure Minimum	5 years		1 year	
Maximum	20 Years		20 Years	
Security	Equitable Mortgage of the property and tangible property		First mortgage on the property.	
Processing Fee	0.50% of the loan amount		1.50% of the loan amount	
Eligibility Conditions	Salaried / Self Employed		Salaried / Self employed a minimum period of 3 years of activity in the related field	

Source: Secondary Data

From the details tabulated above the minimum loan amount permissible by SBI is Rs 5 lakhs, whereas Rs one lakhs for IOB. However maximum loan permissible is 5 crore by both bankers. It is seen that SBI offers a high amount of loan than that of IOB .

Interest charged by SBI is 10.50 Per cent for loan amount up to Rs 30 Lakhs whereas IOB charges 9.50 Per cent for the same loan amount. It is found that IOB charges a lower rate of interest than SBI. The second slab is 11Per cent for the loan amount above Rs 30 Lakhs and up to Rs 75 Lakhs in case of SBI and 10.25Per cent for IOB for the same amount. The third slab is 11.25Per cent for the loan amount above Rs 75 Lakhs in case of SBI and for 10.75Per cent by IOB for the same amount. It is felt that IOB charges a lower interest rate than SBI.

Security required by the SBI is equitable mortgage of the property and tangible security. IOB demands first mortgage on the property only.

Processing fee of 0 .5% of the loan amount is charged by SBI, and 1.50% of the loan amount by IOB. It is seen that SBI charges a lower rate of processing fees than IOB.

Salaried/Self employed, persons are eligible for getting loan from SBI, whereas the eligibility criteria in case of IOB are Salaried/Self employed with a minimum period of 3 years of activity in the related field.

Table 4.2Housing Loan Scheme and Conditions of SBI and PNB

Particulars	SBI		PNB	
Loan Amount Minimum Loan Permissible	5Lakhs		50000	
Maximum Loan Permissible	5 Crore		Depends entirely on the repayment capacity of the borrower.	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate



	Up to Rs 30 Lakhs	10.75%	Up to Rs 30 Lakhs	10.75%
	Above Rs 30 Lakhs And Up to Rs 75 Lakhs	11.00%	Above Rs 30 Lakhs to 75 Lakhs	11.00%
	Above Rs 75 Lakhs	11.25%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	5 years		1 Year	
Maximum	20 Years		20 years	
Security	Equitable Mortgage of the property.		Equitable/registered mortgage of the property and collateral security	
Processing Fee	0.50% of the loan amount		0.5% of the loan	
Eligibility Conditions	Salaried / Self Employed		Salaried / Self employed and business man.	

Source: Secondary Data

It appears from the table, that the minimum loan amount permissible by SBI is Rs 5 lakhs, and by PNB is Rs 50000. Whereas maximum loan permissible by SBI is 5 crores, PNB depends entirely on the repayment capacity of the borrower. It is seen that SBI offers a higher amount of loan than PNB.

Above the table shows that, the rate of interest being levied by the both the bankers are the same.

Security required for the loan from SBI is the equitable mortgage of the property and tangible security. PNB demands equitable/registered mortgage of the property and collateral security.

Processing fee of SBI is 0.5% of the loan amount, but 0.5% of the loan amount is charged by PNB as processing fee. It is seen that both banks charge a low rate of processing fee.

Eligibility criteria for getting housing loan from SBI is that the applicant should be Salaried/Self-employed, but the eligibility criteria in case of PNB is that applicant should be salaried/self-employed or business man.

Table.3.3, Housing Loan Scheme and Conditions of IOB and PNB

Particulars	IOB		PNB	
Loan Amount Minimum Loan Permissible	1 Lakhs		50000	
Maximum Loan Permissible	5 Crores		Depends entirely on the repayment capacity of the borrower.	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to Rs 30 Lakhs	9.50%	Up to Rs 30 Lakhs	10.75%



	Above Rs 30 Lakhs and upto Rs75 Lakhs	10.25%	Above Rs 30 Lakhs and upto 75 Lakhs	11.00%
	Above Rs 75 Lakhs	10.75%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	1 year		1 Year	
Maximum	20 Years		20 years	
Security	First mortgage on the property.		Equitable/registered mortgage of the property and collateral security	
Processing Fee	1.50% of the loan amount		0.5% of the loan amount	
Eligibility Conditions	Salaried / Self employed a for a minimum period of 3 years of activity in the related field		Salaried / Self employed and business man.	

Source: Secondary Data

The tabulation above reflects that minimum loan amount permissible by IOB is Rs 1 Lakhs, and Rs 50,000 by PNB. Whereas maximum loan permissible by IOB is 5 crores PNB depends entirely on the repayment capacity of the borrower. It is seen that IOB offers a higher amount of loan than PNB.

To compare the rate of interest, on housing loan, in the first slab IOB charges interest rate at 9.50 Per cent upto 30 Lakhs, PNB charges at 10.75Per cent. The second slab for amount of loan from Rs30 Lakhs to Rs 75 Lakhs at 10.25Per cent by IOB and 11Per cent by PNB. The third slab is at 10.75 Per cent for above 75 Lakhs by IOB and 11.25 Per cent by PNB. It appears that IOB is charging a lower interest than PNB

Security required for the loan from IOB is first mortgage on the property and PNB is equitable /registered mortgage of the property and collateral security.

Processing fee of IOB is 1.5 Per cent of the loan amount, but 0.5Per cent of the loan amount is charged by PNB as processing fee. It is seen that PNB charges lower rate of processing fees than IOB.

Salaried/Self employed with a minimum period of 3 years of activity in the related field is essential for getting loan from IOB. But the eligibility criteria in case of PNB is salaried /self employed or business man.

Table 4.4 Housing Loan Scheme and Conditions of SBI, IOB and PNB

Particulars	SBI	IOB	PNB
Loan Amount Minimum Loan Permissible	5Lakhs	1 Lakhs	50000
Maximum Loan Permissible	5 Crore	5 Crore	Depends entirely on the repayment



Interest Rate	Loan Amount		Rate		capacity of the borrower.	
	Loan Amount	Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to Rs 30 Lakhs	10.75%	Up to Rs 30 Lakhs	9.50%	Up to Rs 30 Lakhs	10.75%
	Above Rs 30 Lakhs And Up to Rs 75 Lakhs	11.00%	Above Rs 30 Lakhs and upto 75 Lakhs	10.25%	Above Rs 30 Lakhs and upto RSs75 Lakhs	11.00%
	Above Rs 75 Lakhs	11.25%	Above Rs 75 Lakhs	10.75%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	5 years		1 Year		1 Year	
Maximum	20 Years		20 Years		20 years	
Security	Equitable Mortgage of the property.		First mortgage on the property.		Equitable/registered mortgage of the property and collateral security	
Processing Fee	0.50% of the loan amount		1.50% of the loan amount		0.5% of the loan amount	
Eligibility Conditions	Salaried / Self Employed		Salaried / Self employed with a minimum period of 3 years of activity in the related field		Salaried / Self employed and business man.	

Source: Secondary Data

On comparing the housing loan offered by SBI, IOB and PNB, the minimum loan amount permissible by SBI is Rs five Lakhs, IOB is one lakh and Rs 50000 by PNB. Whereas maximum loan permissible by SBI and IOB is up to 5 crores, the maximum loan offered by PNB depends entirely on the repayment capacity of the borrower. To be concluded that SBI offers a higher amount of loan than that of IOB and PNB.

As regards the interest rate of SBI, IOB and PNB, SBI charges 10.5 Per cent for a loan amount up to Rs30 lakhs, IOB at 9.50 Per cent and PNB at 10.50 Per cent. The Second slab above Rs 30 lakhs and up to Rs 75 lakhs at 10.75 Per cent for SBI and PNB and 9.50 per cent is charged by IOB. The third slab for loan amount above Rs75 Lakhs at 11.25 Per cent by SBI and PNB, whereas IOB at Rs 10.75Per cent. It is found that IOB is charging less interest than SBI and PNB.



While Security required for the loan from SBI is the equitable mortgage of the property and tangible security , IOB demands first mortgage on the property and PNB demands the equitable /registered mortgage of the property and collateral security.

While going through the processing fee of the above bankers it seems that SBI charges 0.5 Per cent of the loan amount, IOB at 1.50 Per cent of the loan amount and PNB at 0.50 Per cent of the loan amount. It reflects that SBI and PNB are levying less processing fee than IOB.

Eligible for getting housing loan from SBI are Salaried/Self employed, but the eligibility criteria in case of IOB are Salaried/Self employed with a minimum period of 3 years of activity in the related field and PNB for salaried /self employed / business man.

Table 4.5, Housing Loan Scheme and Conditions of HDFC and ICICI

Particulars	HDFC		ICICI	
Loan Amount Minimum Loan Permissible	1 Lakhs		10 Lakhs	
Maximum Loan Permissible	50 Lakhs		10 Crore	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to 30 Lakhs	10.50%	Up to 25 Lakhs	10.50%
	Above 30 Lakhs to 75 Lakhs	10.75%	Above 25 Lakhs to 75 Lakhs	11%
	Above 75 Lakhs	11%	Above 75 Lakhs	11.50%
Period/Tenure Minimum	1 Year		1 Year	
Maximum	10 Years		20 Years	
Security	First Mortgage of the property, collateral Security and Interim Security		First mortgage of the property and Collateral Security	
Processing Fee	0.5% of the loan amount.		0.5% to 1.00% of loan amount	
Eligibility Conditions	Salaried /Self employed business man		Resident and Non Resident with a regular source of income.	

Source: Secondary Data

From the above table it is seen that HDFC provides minimum loan amounting to Rs 1 Lakhs, it is Rs 10 Lakhs in case of ICICI. Whereas Maximum loan amount is Rs 50 Lakhs in case of HDFC , Rs 10 Crores in case of



ICICI. It is to be concluded that ICICI offers a higher amount of loan than that of HDFC. It is seen that ICICI is aiming customers who require huge amount as housing loan.

Interest rate of HDFC for loan up to Rs30 Lakhs is at 10.50Per cent. But ICICI charges same rate up to Rs 25 Lakhs. The second slab of interest above Rs30 Lakhs but up to Rs 75 Lakhs by HDFC is 10.75 Per cent where as ICICI has fixed the interest rate at 11Per cent. The third slab of interest for an amount of above Rs75 Lakhs by HDFC is 11 Per cent and ICICI charges at 11.50 Per cent. Therefore, it reveals that HDFC is lower on the part of interest levying than ICICI.

Security required for the loan from HDFC bank is first mortgage of the property to be financed and collateral security and interim security, if the house is under construction. ICICI bank also demands the same security.

Processing fee of HDFC bank is 0.5Per cent of the loan amount but 0.5Per cent to 1Per cent of the loan amount in case of ICICI bank.

Eligible for getting housing loan from HDFC are salaried customers, self-employed professionals and self employed business man. But the eligibility criteria in case of ICICI bank is any person whether resident or non resident in Indian with a regular source of income.

Table 4.6, Housing Loan Scheme and conditions of HDFC and AXIS

Particulars	HDFC		AXIS	
Loan Amount Minimum Loan Permissible	1 Lakh		1 Lakh	
Maximum Loan Permissible	50 Lakhs		500 Lakhs	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate
	Up toRs 30 Lakhs	10.50%	Rs 20 Lakhs to Rs 30 Lakhs	10.25%
	Above Rs30 Lakhs	10.75%	Above Rs 30 Lakhs	11%
	Above Rs 75 Lakhs	11%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	1 year		1 year	
Maximum	10 years		10 years	
Security	First mortgage of the property and collateral security and Interim security		Equitable mortgage of the property.	
Processing Fee	0.5% of the loan amount		1% of the loan amount	
Eligibility Conditions	Salaried /Self employed Professionals / Self employed business man		Salaried/ Professionals /Self employed individuals	

Source: Secondary Data



On comparing the housing loan and its interest rate offered by HDFC and AXIS Bank as tabulated above the following are visualised.

Minimum loan permissible by HDFC and AXIS Bank is Rs 1 lakh each. Whereas maximum loan permissible by HDFC is 50 Lakhs and AXIS is 500 Lakhs. It is observed that AXIS Bank seems to be a high lending bank for housing loan.

Interest charged by HDFC is 10.5 Per cent for the loan up to Rs 30 Lakhs and 10.25 Per cent in AXIS bank. The second slab is 10.75 Per cent for HDFC for a loan above Rs 30 Lakhs and 11 Per cent in case of AXIS bank. The third slab is 11 Per cent charge by HDFC for a loan above Rs 75 Lakhs and 11.25 Per cent in AXIS bank. It is found that HDFC charges a lower rate of interest than AXIS bank.

Security required for the loan from HDFC bank is the first mortgage of the property to be financed and collateral security and interim security. AXIS bank demand equitable mortgage of the property.

Processing fee of HDFC bank is 0.5 Per cent of the loan amount, but 1 Per cent of the loan amount in the case of AXIS bank.

Eligibility for getting housing loan from HDFC is that applicant should be a Salaried/Self employed professionals or a business man. But the eligibility criteria in case of AXIS bank is Salaried individual and professionals or Self employed persons.

Table 4.7, Housing Loan Scheme and conditions of ICICI and AXIS

Particulars	ICICI		AXIS	
Loan Amount	10 Lakhs		1 Lakhs	
Minimum Loan Permissible	10 Lakhs		1 Lakhs	
Maximum Loan Permissible	10 Crores		500 Lakhs	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to 25 Lakhs	10.50%	Rs 20 Lakhs to Rs 30 Lakhs	11.0%
	Above 25 Lakhs to 75 Lakhs	11%	Rs 30 Lakhs to Rs 75 Lakhs	11%
	Above 75 Lakhs	11.50%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	1 Year		1 Year	
Maximum	20 Years		10 Years	
Security	First mortgage of the property and collateral security		Equitable mortgage of the property.	
Processing Fee	0.5% to 1.00% of loan amount		1% of the loan amount	



Eligibility Conditions	Resident and Non- Resident with a regular source of income.	1.	2. Salaried /Profession als and Self employed individuals	
------------------------	---	----	---	--

Source: Secondary Data

From the tabulation narrated above ,while comparing the housing loan and its interest rate in respect of ICICI bank and AXIS bank ,it is learnt that ICICI bank provides the minimum loan amounting to Rs 10 Lakhs whereas minimum loan by AXIS bank is Rs 1 Lakh .As regards maximum loan, ICICI bank provides up to Rs 10 Crores. But Rs 500 Lakhs is the maximum amount by AXIS Bank. It may be mentioned that ICICI could provide higher amount as housing loan, than AXIS bank.

Interest rate charged by ICICI bank up to Rs 25 Lakhs at 10.5 Per cent and AXIS bank for amount between Rs20 to Rs30 Lakhs at 10.25 Per cent. The second slab of ICICI bank for loan amount from 25 Rs Lakhs to Rs75 Lakhs is at 11 Per cent whereas AXIS bank charge the same rate for amount from Rs30 to Rs75 Lakhs. The third slab is in ICICI bank is 11.50 Per cent for the loan amount above Rs 75 Lakhs and 11.25 Per cent in AXIS bank. It is found that AXIS bank charges low rate of interest than ICICI, for loan above Rs 75 lakhs.

Security required for the loan from HDFC bank is the first mortgage of the property to be financed and collateral security and interim security if the house is under construction. ICICI bank also demands the same security, but AXIS bank demands equitable mortgage of the property.

Processing fee of HDFC bank is 0.5% of the loan amount, but 0.5% to 1% of the loan amount in case of ICICI and 1% of the loan amount in AXIS bank.

Eligible for getting housing loan from ICICI are resident and non resident with a regular source of income. But the eligibility criteria in the case of AXIS bank is Salaried individual and professionals and Self employed persons.

Table 4.8,Housing Loan Scheme and conditions of HDFC, ICICI and AXIS

Particulars	HDFC		ICICI		AXIS	
	Loan Amount	Rate	Loan Amount	Rate	Loan Amount	Rate
Loan Amount Minimum Loan Permissible	1 Lakh		10 Lakhs		1 Lakh	
Maximum Loan Permissible	50 Lakhs		10 Crores		500 Lakhs	
Interest Rate	Loan Amount	Rate	Loan Amount	Rate	Loan Amount	Rate
	Up to 30 Lakhs	10.50%	Up to 25 Lakhs	10.50%	Rs 20 Lakhs to Rs 30 Lakhs	10.25%
	Above Rs30 Lakhs upto Rs75 Lakhs	10.75%	Above Rs25 Lakhs upto Rs 75Lakhs	11%	Rs 30 Lakhs upto Rs 75 Lakhs	11%



	Above Rs 75 Lakhs	11%	Above Rs75 Lakhs	11.50%	Above Rs 75 Lakhs	11.25%
Period/Tenure Minimum	1 Year		1 Year		1 Year	
Maximum	10 Years		20 Years		10 Years	
Security	First mortgage of the property and collateral security and interim security		First mortgage of the property and collateral security		Equitable mortgage of the property.	
Processing Fee	0.5% of the loan amount.		0.5% to 1.00% of loan amount		1 % of the loan amount	
Eligibility Conditions	Salaried /Self employed business men		Residents and Non Residents with a regular source of income.		Salaried /Professionals and Self employed individuals	

Source: Secondary Data.

As per the table tabulated above it may be found that the minimum loan permissible by HDFC is Rs 1 Lakh, ICICI Rs10 Lakhs and AXIS is 1 Lakhs. The maximum loan to be provided by HDFC is up to Rs50 Lakhs, ICICI up to Rs10 Crores and AXIS up to 500 Lakhs. Hence ICICI is high lender on the subject.

As regards interest charges it is 10.50 Per cent up to Rs 30 Lakhs by HDFC, 10.50 Per cent up to Rs 25 Lakhs by ICICI and 11 Per cent for amount between Rs 20 to Rs30 Lakhs by AXIS bank. The second slab 10.75% for amount varying from Rs 30 to Rs 75 Lakhs by HDFC. 11 Per cent for amount between Rs 25 to Rs 75 Lakhs by ICICI and 11 Per cent for amount from 30 to 75 Lakhs by AXIS. The Third slab of HDFC is 11 Per cent for above 75 Lakhs, 11.50 Per cent for the same capital by ICICI and 11.25 Per cent by AXIS. It appears that HDFC is the lowest tax levying bank than ICICI and AXIS banks.

Security required for the loan from HDFC bank is the first mortgage of the property to be financed and collateral security and interim security if the house is under construction. ICICI bank also demands the same security, but AXIS bank demands equitable mortgage of the property.

Processing fee of HDFC bank is 0.5 Per cent of the loan amount, but 0.5 Per cent to 1 Per cent of the loan amount in case of ICICI and 1 Per cent of the loan amount in AXIS bank. Hence HDFC charges less processing fee than ICICI and AXIS.

Eligible for getting housing loan from ICICI are residents and non- residents with a regular source of income. But the eligibility criteria in case of AXIS bank are salaried individual and professionals and self- employed persons. For HDFC, it is salaried /self-employed businessmen's.

Table 4.9, Inter firm comparison between Nationalized Banks and New Generation Banks

Particulars	Nationalized Banks	New Generation Banks
Loan Amount Minimum Loan Permissible	2,16,667 Lakhs	4,00,000 Lakhs
Maximum Loan Permissible	5 Crores	583,33,333Lakhs
Interest Rate Up to 30 Lakhs	10.33%	10.42%



Above Rs 30 Lakhs And Up to Rs 75 Lakhs	10.75%	10.91%
Above Rs 75 lakhs	11.08%	11.25%
Processing Fees	0.83%	0.83%

Source: Secondary Data

From the above table shows that Inter firm comparison between Nationalized Banks and New Generation Banks housing loan scheme and conditions. It is seen that minimum loan permissible by Nationalized banks by Rs 2,16,667 Lakhs and Rs 4,00,000 Lakhs by New Generation Banks. Whereas maximum loan permissible by Nationalized Bank is by Rs 5 Crores and Rs 583,33,333 Lakhs by New Generation Banks .It is seen that New Generation Banks offer higher amount of loan than Nationalized Banks.

To compare the rate of interest, on housing loan, in the first slab Nationalized Banks charges interest rate at 10.33 Per cent upto 30 Lakhs, New Generation Banks charges at 10.42 Per cent. The second slab for amount of loan from Rs30 Lakhs to Rs 75 Lakhs at 10.75 Per cent by Nationalized Banks and 10.91Per cent by New Generation Banks. The third slab is at 11.08 Per cent above Rs 75 Lakhs by Nationalized Banks and 11.25 percent by New

Generation Banks. It appears that Nationalized Banks is charging a lower interest than New Generation Banks. Processing fee of Nationalized Banks is 0.83 Per cent of the loan amount, but 0.83per cent of the loan amount is charged by New Generation Banks as processing fee. It is seen that both banks charges same rate of processing fee.

CONCLUSION AND FINDINGS

Major findings of the study are

1. It is seen that New Generation Bank provide higher amount of housing loan than Nationalized Banks, even though they are charging higher rate of interest.
2. Processing fees charged by New Generation Banks and Nationalized Banks are more or less same.
3. There is no differences between home loan schemes about nationalized banks and new generation banks.

REFERENCES

1. Sanjay Gupta (1999) "Dream house at affordable cost." HDFC Pioneer in home loan. Shelter Vol. 1.
2. David rakakjs- (Government Public Housing)
3. Bhaskar Rao B (2002) "Housing and Habitat in developing countries". Newman group of publishing, New Delhi.
4. Peter malpass and Alen Murie (1991) "Housing policy and practice". The financial framework- Fourth Edition. Mac Millan p. 183.