



A Study of Home Loans at Icici Bank, Hyderabad

K.Spandana¹, Dr.S.Narender²

¹MBA FINANCE, Malla Reddy Engineering College
(Autonomous), Maisammaguda, Hyderabad

²Professor, Department of MBA, Malla Reddy Engineering
College (Autonomous), Maisammaguda, Hyderabad

Abstract – Every citizen of the country dreams of having his own house. Especially when you plan to buy a home on loan. Home loans means that you buy a house on installments. In other words, when you want to own a home and cannot afford to pay the amount in lump sum, you can pay it in monthly installments with an interest rate. There are number of companies and banks offer cheap loans at a low interest rate. Loan is offered to a borrower to purchase or build a new house on the basis of his/her eligibility and the bank's lending rules. Government gave encouragement for house finance subsidiaries by offering number of tax concessions to individuals with the overall encouragement given to this sector, a number of players entered in housing finance. One of the most important benefits of taking a home loan is the interest rate that is allowed on the home loan. This particular section will keep the housing loan demand high and increased lending rates can only shelve their plans for some time.

Keywords – Home Loan, Housing Finance, Customer Satisfaction, Loan Eligibility, Customer Preference.

I. INTRODUCTION

Housing is one of the most essential needs of human life, and owning a house is considered a symbol of security, stability, and social status. In India, where population growth and urbanization are increasing rapidly, the demand for housing has risen significantly over the years. However, due to high property prices and increasing cost of living, it has become difficult for individuals, especially middle-income groups, to purchase a house through their own savings. In such situations, home loans play a crucial role in helping individuals achieve their dream of owning a home by providing financial assistance in the form of long-term credit.

The concept of home loans has gained tremendous importance in the Indian banking sector, particularly after economic liberalization. Banks and financial institutions have introduced various housing finance schemes to meet the diverse needs of customers. These loans are offered for different purposes such as purchasing a new house, constructing a house, renovating or extending an existing property, and even purchasing land. The availability of flexible repayment options, longer tenure, and attractive interest rates has made home loans a preferred financing option among individuals.

II. REVIEW OF LITERATURE

Kumbirai and Webb (2021)

Studied the performance of South African banks and found that the global financial crisis reduced profitability, liquidity, and credit quality.

Singh and Tandon (2022)

Compared the financial performance of SBI and ICICI Bank and found that SBI was financially stronger, while ICICI Bank showed better efficiency in managing deposits and expenses.

Sharma and Gupta (2023)

Found that customers prefer banks offering low interest rates, better customer service, simple procedures, and digital banking facilities for housing loans.

Manoj (2024)

Concluded that commercial banks play an important role in housing finance by providing easy loan availability, flexible repayment options, and competitive interest rates.

Patel and Mehta (2025)

Observed that interest rates, processing time, service quality, transparency, and repayment flexibility are key factors influencing customers' home loan decisions.

Need And Importance Of The Study

Owning a house is a dream for every individual, but high property prices make it difficult for many families. Home loans help people purchase houses through easy monthly installments and reasonable interest rates. Government support and tax benefits have encouraged housing finance. This study focuses on the home loan services provided by ICICI Bank in Hyderabad, Telangana.

Scope Of The Study

Home is one of the things that everyone one wants to own. Home is a dream of every person that shows the quantity of efforts, sacrifices luxuries and above all gathering funds little by little to afford one's dream. Home is a shelter to person where he rests and feels comfortable. The demand of home loans has increased dramatically. For fulfill this purpose many banks are providing home loans whether commercial banks or financial institutions to the people who want to have a home. Part of the reason for this increase is because the accessibility of loans has gotten bigger. Today, home loans are available in the market at very low interest rates that meet the demands of many home buyers.



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Objectives Of The Study

1. To analyze the demographic profile of respondents such as age, income, occupation, and marital status.
2. To examine the level of awareness among customers regarding home loan products offered by ICICI Bank.
3. To identify customer preferences towards different types of home loan products.
4. To evaluate the level of customer satisfaction towards home loan services.
5. To study the relationship between income level and loan amount preference.

- Mortgage-related loan segments were not covered in detail.
- The study is based on a sample of 100 respondents only.
- The study is limited to a specific geographical area.

III. RESEARCH METHODOLOGY

Research Design

The study is based on both exploratory and descriptive research designs. It aims to analyze customer satisfaction and the home loan services provided by ICICI Bank.

Sources of Data

Primary Data

Primary data was collected through a structured questionnaire from customers who have availed home loans from ICICI Bank.

Secondary Data

Secondary data was collected from bank reports, company websites, journals, newspapers, magazines, books, and other published sources.

Sample Size

A sample of 100 respondents was selected for the study.

Sampling Technique

Random sampling technique was used to select the respondents.

Tools of Analysis

- Percentage Analysis
- Tables and Charts
- Bar Graphs and Pie Charts
- Averages and Statistical Analysis

Plan of Analysis

The collected data was classified, tabulated, and analyzed using percentages, tables, graphs, and charts for better interpretation.

Hypotheses

- H0: There is no significant association between customer characteristics and home loan amount.
- H1: There is a significant association between customer characteristics and home loan amount.

IV. LIMITATIONS OF THE STUDY

- The study focuses mainly on the conceptual aspects of home loans.
- Takeover (balance transfer) home loans were not included.

Data Analysis And Interpretation

| Gender | No.of Respondents | Percentage |
|--------|-------------------|------------|
| Male | 60 | 60% |
| Female | 40 | 40% |

Source: Primary Data

Interpretation:

From the above table, it is found that 60% of respondents are Males and remaining 40% are females.

Chart 1: Gender

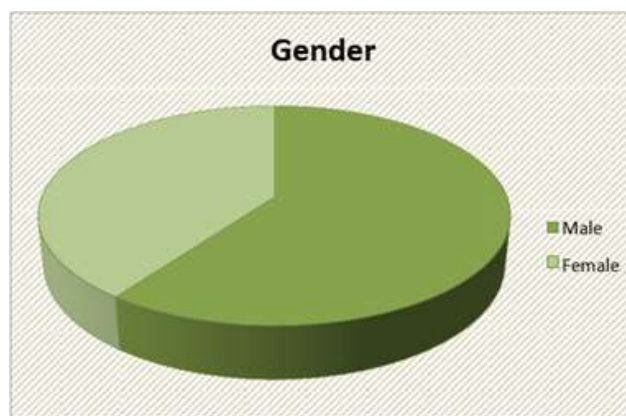
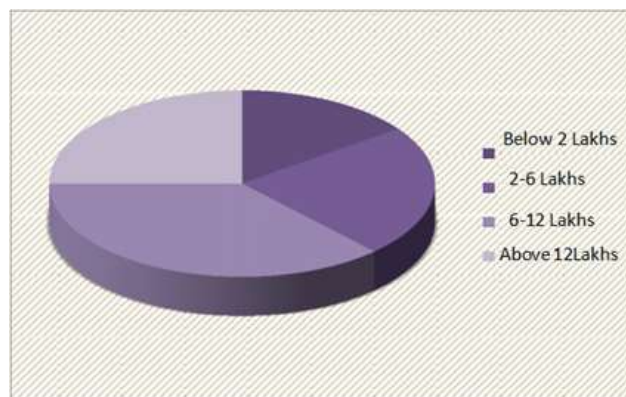


Table 2: Income

| Income | No. of Respondents | Percentage |
|---------------|--------------------|------------|
| Below 2Lakhs | 15 | 15% |
| 2-6 Lakhs | 23 | 23% |
| 6-12 Lakhs | 37 | 37% |
| Above 12Lakhs | 25 | 25% |

Source: Primary Data

Chart 2: Income





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Interpretation:

From the above table, it is found that 15% of respondents receive income below 2lakhs ,23% of respondents receive 2-6 lakhs, 37% of respondents receive income 6-12lakhs and 25% of respondents receive above 12lakhs.

Statistical Analysis:

One Sample T-Test:

Hypothesis:

- **Null Hypothesis (H0):** There is no significant relationship between time taken to process the loan and disbursement of loan.
- **Alternate Hypothesis(H1):** There is a significant relationship between time taken to process the loan and disbursement of loan.

| N | Mean | Std. Deviation | Std. Error Mean |
|----------------------------|------|----------------|-----------------|
| Time Taken To Process Loan | 100 | 4.09 | .668 |
| Disbursement of Loan | 100 | 1.05 | .334 |

Upper

Time Taken to Process Loan

| t | diffe | Significan | Mean | 95% Confidence Interval of the Difference | |
|----------------------------|-------|------------|-------|---|-------|
| | | | | Lower | Upper |
| Time Taken to Process Loan | 61.99 | <.001 | 4.090 | 3.96 | 4.22 |
| Disbursement of Loan | 30.54 | <.001 | 2.045 | 1.98 | 2.10 |

One-Sample Effect Sizes

| Standardization | Point Estimate | 95% Confidence Interval | | |
|----------------------------|-------------------------|-------------------------|-------|-------|
| | | | Lower | Upper |
| Time Taken To Process Loan | Cohen's d .668 | 6.122 | 5.247 | 6.994 |
| Process Loan | Hedges' correction .673 | 6.075 | 5.207 | 6.941 |
| Disbursement of Loan | Cohen's d .234 | 3.066 | 2.623 | 3.497 |
| Loan | Hedges' correction .241 | 3.037 | 2.603 | 3.470 |

a. The denominator used in estimating the effect sizes. Cohen's d uses the sample standard deviation. Hedges' correction uses the sample standard deviation, plus a correction factor.

Interpretation:

Since p value 0.067 is greater than 0.05 null hypothesis is accepted and alternate hypothesis is rejected. Hence, there is no significant relationship between time taken to process the loan and disbursement of loan.

Key Findings

1. Majority (60%) of the respondents are Male.
2. Majority (37%) of the respondents are occupied as private employee.
3. Majority (37%) of the respondents income is between 6-12Lakhs p.a.
4. Majority (81%) of the respondents prefer individual type of villa.
5. Majority (70%) of the respondents are presently living in their own house.
6. Majority (36%) of the respondents resident owners are their parents.
7. Majority (65%) of the respondents have their primary account in ICICI BANK.
8. Majority (65%) of the respondents prefer their primary bank to take further loan.
9. Majority (90%) of the respondents says that prefer to take fresh new loan.
10. Majority (35%) of the respondents are interested in taking loan as construction for home.

Suggestions

1. HDFC Bank should maintain a consistent dividend policy.
2. Dividend decisions should align with shareholder expectations.
3. Management should communicate dividend policies effectively.
4. Investors should evaluate both dividends and retained earnings before investing.
5. Banks should balance dividend distribution and future growth requirements.
6. Dividend announcements should be transparent and timely.

VCONCLUSION

The study concludes that ICICI Bank is a preferred choice for home loans due to its quick loan processing, fast sanctioning, and customer-friendly services. Most customers choose home loans for house construction and prefer longer repayment periods. The bank offers various home loan products to meet different customer needs and provides additional service benefits that improve customer satisfaction. Overall, ICICI Bank plays an important role in helping customers achieve their dream of owning a house.

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