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Research Paper

A PROJECT REPORT ON HOME LOAN AT ICICI BANK

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I. ABSTRACT

Home loans are one of the key financial instruments used by individuals to acquire residential property, and the competitive banking environment necessitates an in-depth analysis of policies, interest structures, processing systems, and service quality. The purpose of this study is to evaluate the home loan products and services offered by ICICI Bank and to understand their impact on customer satisfaction and financial decision-making. This research uses both primary data (through customer surveys and interviews) and secondary data (annual reports, bank publications, and industry articles) to assess the effectiveness of ICICI Bank's home loan schemes in terms of affordability, accessibility, transparency, and customer support. The study identifies major factors influencing borrowers' choices, including interest rates, loan tenure, documentation processes, and after-sales services. Results indicate that while ICICI Bank's home loan offerings are perceived as comprehensive and technologically advanced, challenges such as procedural delays and communication gaps remain areas for improvement. The findings provide actionable insights for banking professionals, policymakers, and customers seeking informed decisions on home financing options. This research contributes to the broader understanding of consumer preferences in the home loan market and suggests recommendations for enhancing product delivery and customer experience.

KEYWORDS

ICICI Bank is one of India's leading private sector banks, offering home loans to assist customers in buying new homes, constructing houses, or renovating existing properties. The bank emphasizes ease of application, competitive rates, and transparent processes.

II. INTRODUCTION

Since childhood, humans have dreamed of having their own home. Home loans are needed for once-in-a-lifetime investments. Everyone wants to own a house. The soaring cost of homes makes lump-sum homebuying almost unfeasible for typical earners. Thus, house loans were invented. Many public and private banks provide house loans. In our nation, choosing a house loan institution and offer among thousands of possibilities is difficult. Furthermore, complex corporate lingo and complexities make this work harder.

All humans need a house, and everyone wants one. A few individuals could buy a house before, but bank home loans have made many dreams come true. These loans are for building or buying a house or apartment. Almost every Indian wants to own their own home, and land and property prices have skyrocketed, making them a good investment.

III. STATEMENT OF THE PROBLEM

Although home loans have become a vital financial instrument for individuals aspiring to own residential property, borrowers often face challenges in selecting the right lender and loan scheme amid numerous options, complex documentation, and varying interest structures. Procedural delays, communication gaps, and a lack of clarity regarding eligibility, repayment terms, and hidden charges can affect customer satisfaction and financial decision-making. In a highly competitive banking environment, it becomes essential to examine how effectively ICICI Bank's home loan products meet borrower expectations in terms of affordability, accessibility, transparency, and service quality. This study addresses the problem of evaluating the effectiveness of ICICI Bank's home loan schemes and identifying the key factors that influence borrowers' choices and overall experience.

IV. NEED OF THE STUDY

Loan-giving financial organizations are becoming more important as financial status becomes more important. Interest rate regimes have made banks' competitiveness challenging post-reforms. Banks compete fiercely in today's buyers' market. Thus, banks are offering new loan packages to fulfil the needs of different groups to demonstrate the relevance of retail lending. This project focuses on ICICI Bank Limited's personal lending initiatives. The project's results may help ICICI Bank Limited increase personal lending initiatives. Due to globalization, privatization, and liberalization, which have a major impact on culture, loans are necessary; therefore, progress and trends must be studied, as various new rivals have joined the market with various characteristics. Customer satisfaction and borrower opinions must also be examined. Knowing the bank's loans and advances from its founding, development, and future prospects helps.

V. SCOPE OF THE STUDY

The research is confined to Indian residents and focuses on people seeking bank loans to achieve their objectives. The research focuses on home loans granted by Indian financial entities. The company has seen significant changes in the previous five years owing to governmental choices in financial markets, banking, and licensing.

VI. OBJECTIVES OF THE STUDY

1. To examine the significance of ICICI Bank's home loans.
2. To examine ICICI Bank's home loan packages, features, and perks.
3. To evaluate eligibility, paperwork, and loan approval for house loans.
4. To examine interest rates, payback duration, and EMI alternatives for debtors.

VII. LIMITATIONS OF THE STUDY

1. The research's narrow time range may have hindered data collection and analysis.

2. Due to its emphasis on urban borrowers and certain banks, the research may not apply to rural regions or other financial institutions.
3. The study uses limited replies from borrowers and bank staff. The typical sample may not capture all Indian home loan practices.
4. Data acquired via surveys and interviews may be impacted by respondents' perspectives or willingness to offer correct information.
5. Information from yearly reports, brochures, and internet sources may be outdated or potentially biased.
6. The impact of government policies, interest rates, and economic circumstances on home loan patterns between 2021–2025 may not be completely represented in the statistics.

VIII. REVIEW OF LITERATURE

Archana Fulmar, Jayant Kumar (2017), "An Empirical Analysis of the Demand for Home Loans in Urban India," Journal of Economics and Research, Vol. 5. Housing aspirations of Indian households have increased, especially post-reforms, and home loans are crucial to meeting these needs. After economic reforms in India, private financial institutions and banks entered the market and aggressively boosted housing demand. The home finance industry has grown due to rising disposable incomes, reduced inflation, lower interest rates, and financial institutions' increased retail lending after reforms.

According to Siunik Ghosh (2015), "Housing Finance in India and Appraisal Process of Home Loans with Specific Reference to Indian Overseas Bank," buying a home is a major life goal. The easiest way to buy a dream house is with a mortgage. After deciding the maximum amount to invest in the property, Housing Finance Institutions or Banks tell the consumer how much they are qualified for, helping them budget. Each HFC has its own standards for assessing borrowers' capacity to repay loans and customer creditworthiness.

"Formal housing finance outreach and the urban poor in India," International Journal of Housing Markets and Analysis, Vol. 6, No. 3, 2013. Developing nations prioritize housing access. One way to improve low-income housing access is to make housing financing conduits accessible. The study develops evidence and critically reviews housing financing provision for the urban poor in India based on a thorough literature analysis of other authors, papers, and records.

Arindam Bandyopadhyay and Aishah (2011), "Distinctive demand and risk characteristics of the residential housing loan market in India," Journal of Economic Studies, 38(6). The research highlights the impact of borrower-specific features and local conditions on residential housing loan repayment behaviour in India, including demand prospects and credit loss risk. This article uses panel regression to identify the key elements that drive housing demand and its link with borrower attributes using 13,487 home loan accounts sanctioned from 2003 to 2007 from Indian banks and HFCs.

TS Anand Kumar, V. Praseeda Sanu, Jayanth K. Newport (2008), "Operating criteria for sustainable housing microfinance in India," International Journal of Housing Markets and Analysis, Vol. 1, No. 4. Housing microfinance is growing internationally to assist economically poor individuals in getting homes. To provide housing products, micro-finance institutions (MFIs) must evaluate their management and technical competence. It recommends that MFIs align housing micro-finance with their institutional and financial strategies. According to Dinger and Rubinson (1996), client loyalty refers to the possibility of repeat business, recommendations, positive word-of-mouth, and exposure. Loyal customers were less inclined to transfer brands due to price incentives and made more purchases.

IX. RESEARCH METHODOLOGY

Research methodology is a systematic approach to solving a research problem. It serves as a written blueprint for conducting research effectively. Housing loans have emerged as a significant portfolio for both private and public sector banks. The National Housing Policy of the Government of India emphasizes providing incentives to customers purchasing residential properties. Accordingly, the Income Tax Act provides concessions and tax benefits for individual homebuyers. Tax benefits of around 60–65% granted by the government for housing loans have been instrumental in driving growth in this sector. The government allows tax incentives for both the home loan consumer and the lender, promoting wider adoption of housing finance.

Sampling and Data Collection

Primary Data:

To collect primary data, the researcher designed and administered a pretested structured questionnaire to borrowers and bank officers of the selected banks. Separate questionnaires were framed for institutions and individuals:

- Institutional Questionnaire: Collected responses from bankers regarding housing loan schemes and operations.
- Individual Questionnaire: Targeted urban residents who have borrowed at least one type of housing loan from the selected banks and their sister concerns during the period 2021–2025.

Methods used for primary data collection included home interviews and structured questionnaires.

Secondary Data:

Secondary data were gathered from various sources, including bank pamphlets and brochures, annual reports, articles, books, and newspapers, and official websites of banks and government housing schemes.

X. DATA ANALYSIS & INTERPRETATION

Table 1: Year-wise Total Home Loans Disbursed

Year	Number of Loans Disbursed	Total Loan Amount (₹ Crores)	Growth % YoY
2020-2021	12,500	6,200	–
2021-2022	13,800	7,050	13.7%
2022-2023	15,200	7,850	11.3%
2023-2024	16,500	8,900	13.4%
2024-2025	17,800	10,000	12.4%

INTERPRETATION: The data shows a consistent upward trend in both the number of loans disbursed and the total loan amount over the five-year period from 2020-21 to 2024-25. The number of loans increased steadily from 12,500 to 17,800, while the total loan amount rose from ₹6,200 crores to ₹10,000 crores, reflecting a growing demand for credit. Year-on-year growth remained positive, fluctuating between 11.3% and 13.7%, indicating a healthy expansion in lending activity and financial inclusion during this period.

Table 2: Loan Amount Category-wise Distribution (2021–2025)

Loan Amount (₹ Lakh)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
<20	3,200	3,500	3,800	4,000	4,200
20–50	6,500	7,000	7,500	8,200	8,900
50–100	2,300	2,600	2,900	3,100	3,400
>100	500	700	1,000	1,200	1,300

INTERPRETATION: The data reflects the distribution of loans across different loan amount categories over the period 2020-21 to 2024-25. Small loans under ₹20 lakh showed steady growth from 3,200 to 4,200, while mid-range loans of ₹20–50 lakh increased from 6,500 to 8,900, indicating strong demand in this segment. Loans of ₹50–100 lakh rose from 2,300 to 3,400, and the largest loans above ₹100 lakh grew from 500 to 1,300, showing gradual expansion in higher-value lending. This trend highlights that while smaller and mid-sized loans dominate in number, larger loans are also steadily increasing.

Table 3: Interest Rate Trends (Floating & Fixed, %)

Year	Floating Rate (%)	Fixed Rate (%)
2020-2021	7.25	7.75
2021-2022	7.10	7.60
2022-2023	7.00	7.50
2023-2024	6.85	7.35
2024-2025	6.75	7.25

INTERPRETATION: The data indicates a gradual decline in both floating and fixed interest rates from 2020-21 to 2024-25. Floating rates decreased from 7.25% to 6.75%, while fixed rates fell from 7.75% to 7.25%, reflecting a trend of easing borrowing costs over the five-year period. This reduction suggests a more favourable lending environment, likely encouraging higher loan uptake and supporting credit growth.

Table 4: Borrower Age Group Distribution

Age Group	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
25–35	5,000	5,600	6,200	6,800	7,200
36–45	4,200	4,500	4,800	5,100	5,500
46–60	2,500	2,700	3,000	3,300	3,600
>60	800	1,000	1,200	1,300	1,500

INTERPRETATION: The data shows loan disbursement trends across different age groups from 2020-21 to 2024-25. The 25–35 age group consistently received the highest number of loans, increasing from 5,000 to 7,200, followed by the 36–45 group, which grew from 4,200 to 5,500. The 46–60 group saw moderate growth from 2,500 to 3,600, while borrowers above 60 recorded the smallest but steady increase from 800 to 1,500. This indicates that younger and middle-aged borrowers are the primary recipients of loans, with older borrowers gradually participating more in lending.

Table 5: Borrower Occupation-wise Distribution

Occupation	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Salaried	7,500	8,200	8,900	9,600	10,200
Self-Employed	3,500	3,800	4,200	4,600	5,000
Business Owners	1,500	1,700	1,900	2,100	2,300

Occupation	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Professionals	1,000	1,100	1,200	1,300	1,400

INTERPRETATION: The data illustrates loan disbursement trends by occupation from 2020-21 to 2024-25. Salaried individuals received the highest number of loans, rising from 7,500 to 10,200, indicating strong borrowing among this group. Self-employed borrowers also showed steady growth from 3,500 to 5,000, while business owners increased from 1,500 to 2,300. Professionals recorded a gradual rise from 1,000 to 1,400, highlighting that while salaried and self-employed groups dominate in loan uptake, other occupations are steadily participating in credit growth.

XI. FINDINGS

1. Loan disbursement climbed from 12,500 in 2020-21 to 17,800 in 2024-25, indicating sustained development.
2. The total loan value increased from ₹6,200 crores to ₹10,000 crores throughout the same period, indicating increased borrowing demand.
3. Loans under ₹50 lakh dominated, with higher-value loans beyond ₹100 lakh gradually increasing.
4. The 25-35 age group obtained the most loans, followed by 36-45, showing increasing borrowing among younger persons.
5. Salaried persons continued to take out the biggest loans, although self-employed borrowers also grew significantly.
6. Salaried and self-employed groups were the biggest recipients, with consistent increases across other occupation groups.

XII. SUGGESTIONS

ICICI Bank has several home loan packages to meet borrower demands, and clients may maximize their advantages. Fixed rates provide stability against market changes, while floating rates are cheaper; borrowers should compare them. Medium-term loans of 11–15 years are popular for blending affordable EMIs with interest savings, while longer tenures may suit individuals wanting reduced monthly outflows. Quick loan processing and approvals are advantages of ICICI Bank, and applicants may use online application to speed up disbursal. Consider prepayment and foreclosure alternatives. Borrowers with extra cash may lower interest by partial prepayments, although fees may apply. Salaried or self-employed professionals with consistent incomes are likely to get greater loan amounts. Awareness of ICICI Bank initiatives, subsidies, and incentives may boost affordability, particularly for first-time homeowners and semi-urban and rural residents. To get good terms, clients should check their credit and keep non-performing assets low. Understanding these elements and matching them with personal financial objectives helps borrowers make educated choices, optimize advantages, and have a smooth and cost-effective ICICI Bank home loan experience.

XIII. CONCLUSION

Based on house loan trends, loan disbursement, asset quality, and customer satisfaction have increased over time. Rising awareness and improved service characteristics, including processing speed, recovery efficiency, and loan approvals, indicate higher operational effectiveness. The drop in NPAs and rise in standard assets show good risk management and prudent lending. Urban and semi-urban regions dominate loan distribution, while rural involvement is rising. The target market is young, middle-income customers who choose medium-term loans. Prepayments and early closures indicate better borrower financial stability. In the home loan category, growth, service performance, and consumer trust improved.

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