

# Convergence of banking sector to housing finance

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## Abstract

Developed country like India, convergence of banking sector to housing Finance is expected.. macroeconomic policy is important for convergence of banking sector. Housing finance emerged as an important segment of credit portfolio of bank. According to the RBI & Five year plan by government of India. Ministry of housing and development given the scheme PMAY in recently launched by prime minister of India for the welfare of the society .

**Keywords:** Credit, Portfolio, Convergence, PMAY, Urbanization

## 1. Introduction :

Housing fiancé is derived from mortgage lending. Housing finance in India during last decades has gone through the major changes. Migrate from backward to urban area increase the need of housing due to the population growth. Convergence of banking sector has taking a rapid pace of urbanization has a serious affect for demand of housing. Convergence has another important determinant that has been the ever- improving regulatory framework.

In India, has to wipe off it shortage in housing finance unit then it need a coalition of effort at gigantic level. The tendency of convergence puts the banking sector by financial integration. Credit policy and credit demand affect the relationship between economic growth and bank lending.

## **2. Need and purpose:**

The need for convergence of banking sector to housing finance is increasing day by day. The factor like population growth, economic growth, urbanization, insufficient capital etc. develop the industrial as well as business relation. Housing finance generate the employment opportunity. It provides the services for the society.

## **3. Research & Methodology:**

The research methodology defines what the activity of research is, how to proceed, how to measure progress and what constitutes success. It provides an advancement of wealth of human knowledge, tools of the trade to carry out research tool to look at things in life.

**Primary data:** Primary data is source from which the researcher collect the data. It is the first hand data which is used directly for the analysis purpose.

**Questionnaire design:** Here in our research we set question for salaried individual as well as government employee and answer can be easy to fill with minimum amount of time and effort and request.

**Customer:** Customer helps in creation of more accurate idea about our research.

**Secondary data:** Secondary data are those, which have already been collected by some other persons for their purpose secondary data are usually in shape of finished product.

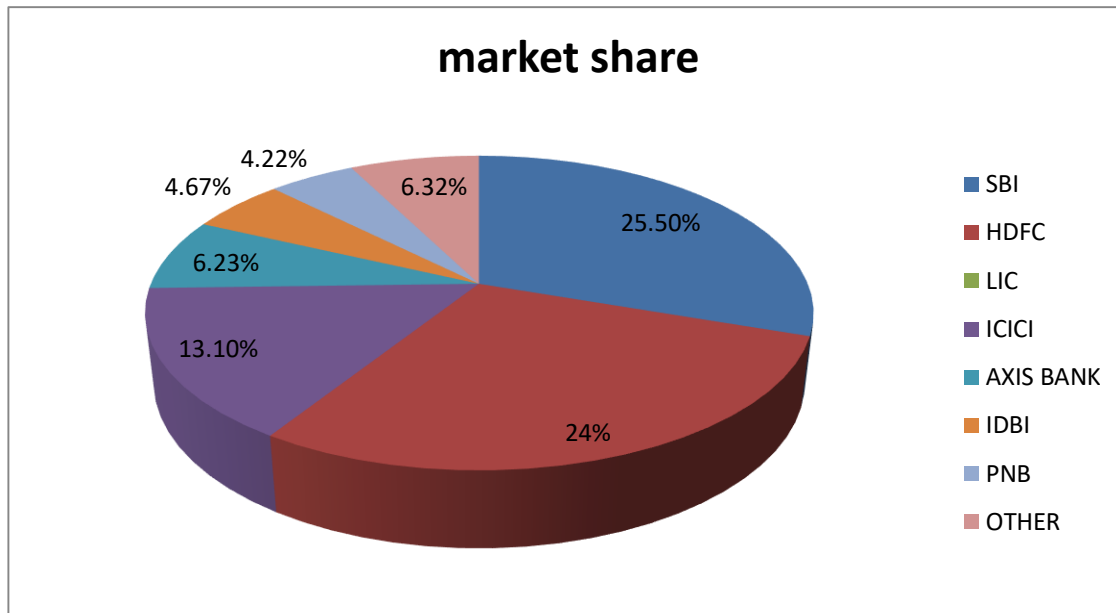
### **Sample area-**

Jaipur city has been taken as a sample area.

### **Sample size-**

The research made us of primary data which was made for the 50 respondents

**Data collection instrument** – structure questionnaires

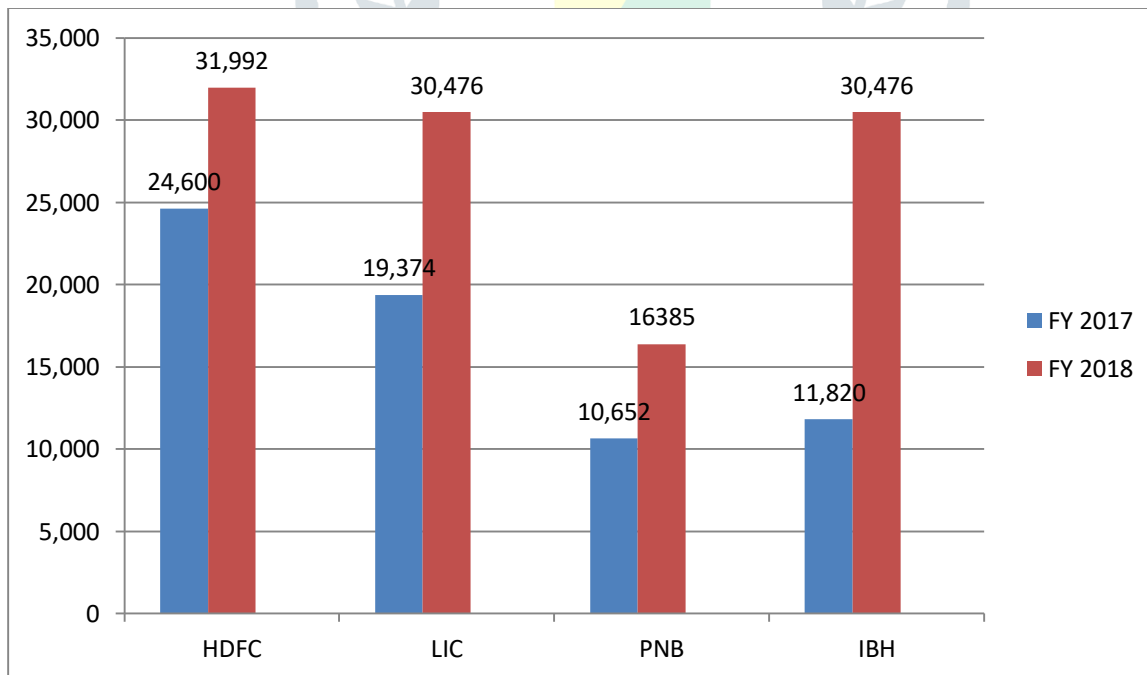


**Table:1**

Market share

**Interpretation :** The market share of the bank make the customer easy to take loan from which bank. The SBI has good market in Comparison of other bank

**Table:2** Housing finance disbursement FY 2017 & 18



**Interpretation** : there has between a changes in the housing loan disbursement in four housing sector bank.

#### **4. Finding & Suggestion:**

- The greater publicity through newspaper, websites and other media will tech greater importance in these industry.
- Bank has charge less interest rate upto a certain amount of loan.
- The bank should satisfy to each member and citizen.
- Term & condition should be friendly from every citizen.

#### **Conclusion :**

Thus we can say that housing fiancé has greater impact banking sector for development of economy .the government of India has doing a fabulous job for creating house for all to 2021.fiancial system is well established characterized by developed economic. Besides, every nationalized bank is expected to allocate every year a specified percentage of deposits and plan for its deployment for financing direct as well as indirect housing programs.

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