

# Ranking of Decision Making Criteria for Availing Housing Loan for Affordable Housing among Self-Help Group Women

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## Abstract

Owning a residential house is considered as an essential requirement by any family across the globe. This gives a sense of security to the whole family especially women and children. However, owning a house may remain just a dream for many owing to the high costs associated with either construction of one or buying it. The government may not be in a position to provide free housing for every family that cannot afford a house. However, it may create an ecosystem where the underprivileged sections of the society may get loans at a cheaper rate so that they may build their own homes. Thus, housing finance is essential to the functioning of housing markets. The purpose of this research is to empirically rank the imperative factors that are considered by women housing loan borrowers attached to self-help groups (SHGs) using Analytical Hierarchy Process (AHP). Data was collected from 195 women with SHGs from Sivakasi taluk in Virudhunagar District of Tamilnadu state of India. Criteria such as Rate of interest for housing loan, Documentation Procedure involved, Processing Speed, Initial Down payment, Processing fee, Repayment Period of loan, Friendly Environment in financial institution branch were considered. It was found that Rate of interest, Friendly environment and Processing speed were the top three factors considered by these women when deciding on an institution for availing housing loan. Implications of the research are that institutions offering affordable housing loan need to focus on the above mentioned factors to better serve the target audience for providing housing loans and realise the dream of housing for all in the country.

**Key words:** Affordable housing loan, Analytical Hierarchy Process, Rate of interest, Friendly environment, Processing speed

## 1. Introduction

Having a roof over one's head is considered essential anywhere in the world. Calling a house one's own is a pride and joy and gives dignity to the whole family. In India, owning a home is considered a milestone achievement in one's life. While home ownership remains a long-cherished dream in India, one faces several hurdles en route. In order to realise the dream of owning a home, banks, financial institutions, Non-banking finance companies (NBFCs), Housing Finance Companies (HFCs) (HFCs are a part of NBFCs), and the government provide affordable housing loans at lower interest rates.

A vast majority of the populace having well-constructed housing is one of the key indicators of a nation's economic well-being. Most countries try to improve the living conditions of the residents by providing housing on a large scale. With housing recognized as one of the basic needs, governments are finding every possible way to provide housing for their citizenry [1] and providing affordable housing is one solution. The Government of India had setup a National Urban Housing and Habitat Policy -2007(NUHHP) with the objective of 'Affordable Housing for all' and Accelerating the pace of development of housing and related infrastructure [2]. The Prime Minister of India launched a "housing for all" campaign in June 2015. The focus of the campaign was to provide housing for all in urban areas by building more than 12 million houses by the year 2022 [3].

In India, rapid urbanisation of rural parts of the country and migration of rural population to cities has caused severe urban housing shortages, especially for the economically weaker sections because they are the ones who migrate seeking greener pastures in the cities. This also creates a situation where slums are formed in the cities and metropolis. In this context, the Indian Government and the Reserve Bank of India have initiated a number of schemes and programs to boost affordable housing in the country, as mentioned earlier. [4].

The government may not be in a position to provide free housing for the entire needy population. However, it may create an ecosystem where the underprivileged sections of the society may get loans at a cheaper rate so that they may build their own homes. Thus, housing finance is essential to the functioning of housing markets. Without the facility for the

masses to borrow housing loan, housing will rarely be affordable [5]. It is a vital component of a well-functioning housing system, without which the provision of affordable housing will not become a reality [6].

### **1.1. Initiatives from Government of India to Promote Affordable Housing**

Over the years, the government of India has made many efforts to provide low cost housing through schemes such as National Housing Policy, 1994; Jawaharlal Nehru National Urban Renewal Mission, 2005; Rajiv Awas Yojana 2013. However, the Pradhan Mantri Awas Yojana (PMAY) launched in 2015 provides a fresh impetus towards this objective. The PMAY-Urban (PMAY-U) includes all the features of the previous urban housing schemes and aims at 'Housing for All' to be achieved by the year 2022. PMAU-U aims to address an estimated 20 million housing shortage.

These initiatives by the government becomes essential because millions of low income Indian families currently live in cramped, poorly constructed houses or shacks in slum areas which lack basic sanitation, clean water, electricity and sewage management due to lack of affordable housing options, combined with limited income and minimal access to home finance for low income borrowers[7].

In our opinion, Self-help groups (SHG) for women may be considered as the prime target group for providing affordable housing loans. Self Help Groups (SHGs) are small groups of 10–20 members from financially poor background, usually women, who face similar problems. They help each other, to solve their problems by meeting regularly to discuss social issues and activities. Women SHGs promote small savings among their members and these savings are kept with a bank under a common fund in the name of the SHG. The SHG management gives small loans to its members from this common fund. This program helps to promote economic and social empowerment in a mutually reinforcing way to more successfully reach the poor [8]. Almost all banks have special schemes and financing options for SHGs to provide them with small loans for meeting their productive and emergent credit needs. Banks also offer SHG members with housing loans for construction of new houses and repair of existing houses.

### **1.2. Barriers in getting housing loans in India**

When it comes to owning a house in India, there is a wide gap in terms of supply of housing compared to the demand especially in the low-income segment for housing. Many companies, especially private players see this shortage combined with the desire town a house offering them increased business viability and thus attracts them in this segment. As indicated already, the government has launched several initiatives aimed at creating and promoting an ecosystem where both the lenders and low income group borrowers can benefit socially and economically. This further encourages the suppliers of affordable housing units and financiers to actively participate in the process [9].

Providing with housing to the low-income segment through traditional financial sources such as banks is challenging since it is very difficult for them to establish their credit worthiness [10] and borrowing more will further negative impact the already limited affordability of these segments. Further, the traditional players have inhibition in providing with housing finance to the low income segments based on factors such as lack of clear or absence of land titles with the prospective borrowers for collateral, probable uneven loan payback patterns, uncertainty of repossession of property or collateral, unviable smaller ticket sizes, and overall lower lending volumes among other factors [9] [10].

The factors considered by borrowers while taking a home loan are rate of interest, types of interest rate, tenure or repayment period of loan, down payment, percentage of amount given as loan, loan processing fee, time taken to process the loan, friendly environment in lending institution, loan prepayment penalty, foreclosure penalty, requirement of a guarantor [11], and other considerations such as loan application fees, penalties for default, and any other incidental costs incurred during the duration of a housing loan [12]. Housing loan borrowers prefer lower interest rate [13]. This is because the rate of interest for the loan and the duration of loan affect the size of monthly repayment of loan to the bank called equated monthly instalment (EMI). The higher the interest rate, the bigger will be the EMI [14]. Thus borrowers naturally prefer to borrow housing loan from financial institution that offer loan at a lower interest rate.

Documentation procedure is also considered important while availing housing loans. Borrowers find it difficult to collect the various documents which are required to get a housing loan. But banks clearly insist on the documentation because through proper documentation bank get assurance about borrowers property [12] [13]. There is also a significant relationship between processing time and the service quality of banks as perceived by the users of banks [12] [15] along with cost of borrowing [12]. Lesser processing time may be perceived as favourable when it comes to using banks for any purpose. Also affordable initial down payment even before getting a housing loan is important. Loan providers and developers need to focus on the marketability of affordable housing with reduced down payments [1]. Borrowers can be benefited from housing loan products with a variable nominal repayment structure if the initial down payment is high

[16]. Processing fees is important in decision making for availing housing loan form a particular institution [17][18]. The tenure of housing loan is a significant factor for a households mortgage decisions [16]. Friendly Environment in banks or NBFC also plays a significant role in the satisfaction of borrowers [19].

This research examines the factors that women who are a part of Self Help Group (SHG) consider important in getting a Home loan

## 2. Methodology

The purpose of this research is to empirically understand and rank the important factors that housing loan borrowers consider during their decision making process in choosing a financial institution to borrow housing loan using Analytical Hierarchy Process (AHP). AHP is a multi-criteria decision making technique used to estimate multi-attribute alternatives [20]. AHP is used to synthesize the consumer decision making priorities to determine the overall priorities given by the buyers on the decision alternatives. In this research, AHP is applied to rank the different decision making criteria of the respondents which influence their housing loan borrowing behavior.

To study the factors that influence the housing loan borrowers loan purchase decision, opinion was sought from the women who are attached with SHGs. Women with SHGs were considered because they have a support system on which they can depend on for their livelihood and also get necessary inputs and support for borrowing housing loans. Since Self-help groups offer support, financial institutions lending housing loans also tend to disburse loans with the confidence that these women will pay back the borrowed loan. Primary data for the research was collected from 195 women who are attached to self-help groups from Sivakasi taluk in Virudhunagar District of Tamilnadu state of India.

Data collection was done using survey method using a structured questionnaire. Items relevant to the research were identified and included in the questionnaire and were compiled from the previous research done on factors of consumer decision making through review of literature. A structured questionnaire was designed to elicit the importance attached to the decision criteria by comparing two criteria at a time (pairwise comparison on the decision criteria) from the respondents. The measurement instrument uses a 9-point scale with the responses ranging from high importance to low importance as shown in Table 1. The antecedents considered for measuring the durable product purchase decision criteria were clustered into seven factors of loan borrower decision making.

Table 1: Measurement Scale used

Criteria	Importance attached to the decision criteria									Criteria
	More important than			Equal importance to both criteria			Less important than			
C <sub>1</sub>	5	4	3	2	1	2	3	4	5	C <sub>2</sub>
C <sub>2</sub>	5	4	3	2	1	2	3	4	5	C <sub>3</sub>
C <sub>3</sub>	5	4	3	2	1	2	3	4	5	C <sub>4</sub>
C <sub>4</sub>	5	4	3	2	1	2	3	4	5	C <sub>5</sub>
C <sub>5</sub>	5	4	3	2	1	2	3	4	5	C <sub>6</sub>
C <sub>6</sub>	5	4	3	2	1	2	3	4	5	C <sub>7</sub>
C <sub>7</sub>	5	4	3	2	1	2	3	4	5	C <sub>1</sub>
C <sub>1</sub>	5	4	3	2	1	2	3	4	5	C <sub>3</sub>
...	5	4	3	2	1	2	3	4	5	...

Where

- C<sub>1</sub> is Rate of interest for housing loan
- C<sub>2</sub> is Documentation Procedure involved
- C<sub>3</sub> is Processing Speed
- C<sub>4</sub> is Initial Down payment
- C<sub>5</sub> is Processing fee
- C<sub>6</sub> is Repayment Period of loan
- C<sub>7</sub> is Friendly Environment in financial institution branch

### 2.1. Steps in AHP

Steps involved in AHP are presented below.

**Step 1: Framing pairwise comparison matrix**

Pairwise comparison response on the criteria obtained from the respondents is used to get the average of each response for each criterion from all the respondents. This is computed as an initial step for AHP. If the importance attached to a decision criterion is on left side of 1 in Table 1, the actual opinion value is considered. If the importance attached to a decision criterion is on right side of 1 in Table 1, reciprocal value of the opinion is taken. This average pairwise comparison computed from the questionnaire is entered in the matrix C.

$$\text{Pairwise comparison matrix, } C = \begin{bmatrix} C_{11} & C_{12} & \dots & C_{1n} \\ C_{21} & C_{22} & \dots & C_{2n} \\ \cdot & \cdot & \cdot & \cdot \\ \cdot & \cdot & C_{ij} & \cdot \\ \cdot & \cdot & \cdot & \cdot \\ C_{n1} & C_{n2} & \dots & C_{nn} \end{bmatrix} \quad (1)$$

Where

$C_{ij}$  is an element in pairwise comparison matrix  
 In the above matrix, all diagonal elements are 1.

**Step 2: Framing normalised pairwise comparison matrix**

By dividing each element in the pairwise comparison matrix by its column total, normalised pairwise comparison matrix is obtained.

$$\text{Element of normalised pairwise matrix, } X_{ij} = \frac{C_{ij}}{\sum_{i=1}^n C_{ij}} \quad (2)$$

$$\text{Normalised pairwise matrix, } X = \begin{bmatrix} X_{11} & X_{12} & \dots & X_{1n} \\ X_{21} & X_{22} & \dots & X_{2n} \\ \cdot & \cdot & \cdot & \cdot \\ \cdot & \cdot & \cdot & \cdot \\ \cdot & \cdot & \cdot & \cdot \\ X_{n1} & X_{n2} & \dots & X_{nn} \end{bmatrix} \quad (3)$$

**Step 3: Generating weighted matrix**

Computing the average of row element in the normalised matrix gives the weighted matrix.

$$\text{Element of weighted matrix, } W_i = \frac{\sum_{j=1}^n X_{ij}}{n} = \begin{bmatrix} W_1 \\ W_2 \\ \cdot \\ \cdot \\ \cdot \\ W_n \end{bmatrix} \quad (4)$$

$$\text{Weighted matrix, } W = \begin{bmatrix} W_1 \\ W_2 \\ \cdot \\ \cdot \\ \cdot \\ W_n \end{bmatrix} \quad (5)$$

The elements of the weighted matrix show relative weights among the criteria that are compared. Higher values indicate higher preference for that corresponding criterion.

### 2.2. Consistency analysis

The opinion of respondents may be subjected to several inconsistencies and there is a method in AHP called Consistency analysis to assess the Consistency level of the preference provided by the respondents. If the degree of consistency is unacceptable, the pairwise comparison is to be revised. If the value of consistency ratio is less than or equal to 10%, then the consistency level of the opinion provided by the respondents is higher. If the consistency ratio is higher than 10%, this indicates that the inconsistency level is higher and the subjective opinion given by the respondents is to be revised. Therefore AHP can be considered a self-correcting system, which is the main advantage of its usage and the reason for its wide acceptability.

### 3. Results and Discussion

The Pairwise Comparison matrix obtained based on the opinion of 195 SHG women on ranking the factors that they consider important before availing housing loan is given below.

$$\text{Pairwise Comparison Matrix } (C) = \begin{bmatrix} 1.00 & 3.18 & 2.44 & 3.05 & 2.54 & 2.91 & 1.87 \\ 0.85 & 1.00 & 1.18 & 1.83 & 1.31 & 1.75 & 0.84 \\ 1.20 & 2.65 & 1.00 & 3.01 & 2.29 & 2.66 & 1.76 \\ 0.92 & 1.89 & 1.04 & 1.00 & 1.98 & 2.05 & 1.31 \\ 0.86 & 2.12 & 1.32 & 1.87 & 1.00 & 2.21 & 1.32 \\ 1.08 & 1.84 & 1.18 & 1.63 & 1.26 & 1.00 & 1.02 \\ 1.60 & 3.01 & 1.92 & 2.71 & 2.36 & 2.65 & 1.00 \end{bmatrix} \quad (11)$$

Normalised Pairwise Comparison matrix is obtained using equation 2 and is given below.

$$\text{Normalised Comparison Matrix } (X) = \begin{bmatrix} 0.13 & 0.20 & 0.24 & 0.20 & 0.20 & 0.19 & 0.21 \\ 0.11 & 0.06 & 0.12 & 0.12 & 0.10 & 0.11 & 0.09 \\ 0.16 & 0.17 & 0.10 & 0.20 & 0.18 & 0.17 & 0.19 \\ 0.12 & 0.12 & 0.10 & 0.07 & 0.16 & 0.13 & 0.14 \\ 0.11 & 0.13 & 0.13 & 0.12 & 0.08 & 0.14 & 0.14 \\ 0.14 & 0.12 & 0.12 & 0.11 & 0.10 & 0.07 & 0.11 \\ 0.21 & 0.19 & 0.19 & 0.18 & 0.18 & 0.17 & 0.11 \end{bmatrix} \quad (12)$$

Elements of weighted matrix are computed using equation 4 and the relative weights for the criteria considered in the study are given below. This weighted matrix is a measure of importance given by the loan borrowers for each criterion.

$$\text{Weighted Matrix } (W) = \begin{bmatrix} 0.19657 \\ 0.10356 \\ 0.16773 \\ 0.12091 \\ 0.12467 \\ 0.10896 \\ 0.17760 \end{bmatrix} \begin{matrix} \text{Rate of interest} \\ \text{Documentation Procedure} \\ \text{Processing Speed} \\ \text{Initial Down payment} \\ \text{Processing fee} \\ \text{Repayment Period} \\ \text{Friendly Environment} \end{matrix} \quad (13)$$

Table 2: Rank of factors

Criteria/Factors	Rank
Rate if interest	I
Friendly environment	II
Processing speed	III
Processing fee	IV
Initial down payment	V
Repayment period	VI
Documentation procedure	VII

The self-help group women have given 19.66% weightage for the criterion Rate if Interest while availing home loans and have considered this factor as the most important in making their decisions. This is followed by Friendly environment (17.76%), Processing speed (16.73%), Processing fee (12.47%), Initial down payment (12.09%), Repayment period (10.89%) and Documentation procedure (10.36%).

Consistency Analysis was computed and the consistency ratio was found to be less than 0.1, which indicates that the responses given by the retailers are trustworthy. Hence the pairwise comparison given by the respondents is acceptable and the results can be subjected to further interpretations. Thus AHP has been used in determining those factors that hierarchically affect housing loan borrower decision making while choosing a financial institution for borrowing loan in an empirical manner.

The results of AHP clearly indicate that the most important factor that the SHG women consider before going for a particular financial institution for their housing loan needs is the interest rate offered by those institutions. Various banking and non-banking financial institution that offer home loans do so at differing rate of interest. For example, HSBC Bank offers housing loan at 6.75% interest rate for a tenure of 20 years and State bank of India, one of the leading banks that offer housing loans offers at 6.80% for a same tenure. Non-banking financial companies (NBFCs) offer housing loans at a much higher interest rate. For example, 'IIFL Finance Limited' and 'India Shelter Finance' offer loans at 10.50% and 12.00% respectively. This is the highest interest rate offered for housing loan. Further, to attract customers to avail home loans during the upcoming festive season in the country, leading banks are offering special home loan offers. State Bank of India is offering reduced interest rates starting at 6.75% p.a. for home loans of up to Rs.30 lakh and 7.15% p.a. for home loans above Rs.30 lakh. For this reason, majority of the SHG women planning to get housing loan are interested in getting them from centralised or scheduled banks as they feel that rate of interest is less in these banks compared to other NBFCs.

SHG women also expect a friendly environment in the banks where they approach for housing loans. As most of them in SHG have low literacy background, they find the loan availing procedure to be complex and perplexing. Compounded to this operational difficulty, if the bank employees too behave in an unfriendly manner, the SHG women are put-off. Most often customer service in banks, especially at the branch level where the customers makes their first contact, leaves much to be desired. Most of the bank employees are overburdened with multiple roles and may not find time to spend with customers. This phenomenon comes to the fore especially when uneducated customers visit the bank branches for their needs. These customers may expect the help from bank employees but the employees may not be in a position to help the customers and be indifferent. Further if the bank employees become impatient with the customers, then the customers may feel intimidated by the whole process of availing the services of the bank. Thus the SHG women, when they approach the financial institutions for housing loan, they expect the representative of the financial institution to guide them at each and every step for getting a home loan in a friendly manner. This is the reason this factor get precedence to many other factors that may be usually considered significant in availing housing loan.

The next factor that is expected by the SHG women is the speed with which the housing loans are processed. The SHG women expect that the processing of the housing loan should take less time and be completed in a timely manner. Usually banks publish the processing time on their websites and claim that the process will be completed in three to seven working days. However, when we interacted with the SHG women, it was found that the managers were making the women to visit the bank multiple times in a week. This was going on for weeks together without any indication if they will get the loan or not. Also most of these SHG women are involved in small businesses which they cannot afford to close to visit the bank branch, that too with the uncertainty involved about them getting the loan or not. This leads to frustration among the women. This is the reason they state that the bank should inform them about the loan status that is if they will get the loan or not in a timely manner and process the disbursement of loans also in a timely manner so that they may not incur any big losses in their businesses.

The factors processing fee and initial down payment have almost equal weightage. In fact the factors Repayment period and Documentation procedure too have almost equal weightages and they do not significantly outweigh the preceding two factors. Thus it may be considered that the last four factors are given almost equal preference by the SHG women when they are trying to avail housing loan. All these four factors are quite transparent with all the financial institution since this is regulated by the Reserve Bank of India (RBI). The processing fee varies from bank to bank. Some banks have processing fee expressed as a percentage of the loan availed while others have a fixed amount as processing fee. Further some financial institutions have very low processing fee (Rs. 1,500 - Rs. 10,000 in Canara Bank; 0.15% (Rs. 1,500 - Rs. 15,000) as in the case of UCO bank) while other financial institutions have higher processing fee (Rs. 10,000 - Rs. 15,000 in case of LIC Housing Finance; 2.00% with India Shelter Finance). Because most of the SHG women are from financially poor background, they may consider processing fee as an important factor while availing housing loans. Almost all of the centralised or scheduled banks have lower processing fees and lower interest rates. For this reason, majority of the SHG women plan to get housing loan from these banks.

For those individual seeking a house loan, the amount of down payment can be quite substantial. Down payment is the money one pays upfront to the seller of property. Banks expect their housing loan borrowers to pay 20% of the total value of property as down payment, and the rest of the value of the property will be covered by the loan. This down payment limit is set by the RBI which has directed banks and NBFCs to grant only 80% of the property value as loan. Down payment of money to the seller of property provides financial cushioning to the lender and ensures that the customer will be committed to repay as a substantial amount of his personal funds are invested in it. Most of the women associated with SHG find it difficult to pay this down payment, even though this is a phenomenon they cannot escape. When it comes to affordable housing, the minimum required to build a decent housing is about INR 10 lakhs in Virudhunagar district. This does not include the cost of land for building the house. In this study however, 44.1% (89 out of 195) of the respondents own a piece of land that can be used to construct a house or they can avail loan to upgrade their present dwelling. Whether on has to buy a piece of land and construct a new house or upgrade their existing house or planning to buy a pre-constructed house, they will have to make the initial down payment from their own saving.

The repayment period depends on the borrower's ability to pay back the loan as equated monthly instalments (EMI). If the borrower can pay a higher EMI, the loan tenure decreases, thereby the interest paid also reduces. Because the repayment period is decided by the borrower based on their ability to pay the EMI, they may not attach a lot of importance to the same. Further, in most of the financial institution, the documentation procedure is long and cumbersome. But in reality most of the documentation is done by the bank managers and the borrower has to just sign in the places the manager asks to. This fact may not be already known by the SHG women, but since almost all other factors are more important to worry about before getting a housing loan; documentation procedure is one of the last factors they worry about.

The implications for managerial decision making are that, banks need to consider the factors which are considered important by borrowers in their decision making before making a decision in order to cater to the needs of these borrowers most effectively. The insights in the research can help managers to better educate and guide the SHG women in making the right decision before they avail housing loan. Most individuals consider owning a home as a lifetime achievement and dream of it. Also most of the individuals need to go for housing loan in order to achieve this dream. Thus when it comes to final decision making, the rate of interest at which the loan is borrowed, friendly environment in the financial institution branch and the speed with which the loan is processed precedence over other factors like Processing fee, Initial down payment, Repayment period, and Documentation procedure. This may be because; when borrowers decide to get housing loan they are already aware and prepared for the fact that initial down payment may be higher and their final decision rests on rate of interest which will affect the overall cost of loan and also they don't want to be put off by the financial institution employees because of their rude behaviour. Managers need to train and educate their branch employees to be friendly and be more patient with the customers especially those who have lesser education and who could be easily intimidated by the procedure and ambience of the financial institutions. This way the branch may promote the loan products in a better manner and achieve the vision of Aathmanirbar Bharat by enabling the underprivileged to own homes.

#### **4. Conclusion and Implications**

The objective of this research paper is to present a more sophisticated outlook on the factors considered to be important in the process of availing housing loans through the application of AHP. To identify the factors, opinion from women with SHGs were collected and analysed. Based on the literature, factors such as Rate of interest, Documentation Procedure, Processing Speed, Initial Down payment, Processing fee, Loan Repayment Period, Friendly Environment were considered for research. The questionnaire developed, used pairwise comparisons of the criteria for solving multi-criteria decision-making (MCDM) using AHP.

From the results, it was found that borrowers have given first preference by ranking the criterion Rate of interest paid for the loan taken while borrowing housing loan. This is followed by Friendly environment in the branches of lender, Processing speed, Processing fee, Initial down payment, Repayment period of loan and Documentation procedure. Consistency analysis showed that the responses given by the retailers are reliable and hence the results of AHP were interpreted further.

The ranking indicates that borrowers first consider the rate of interest paid for the loan which varies between different lending institutions as the most important criterion when considering borrowing a housing loan. Since the rate of interest will substantially increase the overall burden of the loan, the borrowers are keen on considering this factor as the most important in deciding on which institution to borrow housing loan from. The next most important factor that borrowers attach priority in getting housing loan is the friendly environment in the branches of lender showing that borrowers are sensitive to the way they are treated by the employees of the lending institution. Many of the women with SHGs are not very educated and already feel intimidated by the process and procedure of borrowing loan. Thus they don't want to be intimidated further by unfriendly employees with the lender.

Because most of the SHG women are daily labourers, they may not find a lot of time to spend in the bank branches to get the loan. Hence they consider processing speed as an important factor when borrowing housing loans. Processing fee is the next factor which borrowers consider during the decision making. As processing fee varies from institution to institution, the borrowers are keen on getting lower processing fee. Initial down payment is in the fifth position in the decision making of borrowers and thus it can be said that most borrowers are not very conscious about the Initial down payment for loan because this is fairly standard across lending institutions. Repayment period is not considered very important in the decision making since repayment period is the choice of the borrowers. Documentation procedure is given the least importance in the housing loan borrowing process.

AHP being a structured approach to decision making, has been engaged to improve and support the managerial decision making by gaining insights about the consumer decision making process. Implications of the findings of this analysis can be used for strategic planning in the areas of attracting borrowers for providing housing loans and realise the dream of housing for all in the country.

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