

**“Studying the prominent Role of Finance Executive in Providing Home Loan  
to the Flat Purchaser in PCMC (Pune) Area”**

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**Abstract-**

Pimpri-Chinchwad (PCMC) is the fastest growing city due to increasing various types of industries in the Pune district, Maharashtra. The real estate business is also tremendous fast growing business and Builders construct various types of flats i.e. 1 BHK, 2 BHK and 3 BHK flats etc. with providing various amenities, specification and facilities to the customers due to this reason financial institutions and banks are looking profitable market and they are providing home loan to the flat purchaser. Real estate business is increasing day by day so that financial institutions appoint large number of financial executives for doing more business for selling home loan. Finance executive's main role is to increasing home loan business and this business will help for financial intuitions providing huge funds in the market for earning more profits. The researcher has done the survey of finance executives who have providing home loan to the flat purchaser. Home loan helps to the flat purchaser for taking purchase decision of flats and give motivation in selection of various types of flats. The researcher has focused on financial institutions and banks who provide home loan and understand finance executives task and work process in providing home loan to the flat purchaser. Builders have tie up with financial

institutions and banks for doing approved project and approved project helps to the flat purchaser for easily sanctioning loan proposal file.

**Key words:** Finance Executive, Financial Institutions, Banks, Providing Home Loan, Flat Purchaser, Sanctioning Home Loan.

## **1. Introduction:-**

Builders are constructing different types of flats like 1 BHK, 2 BHK and 3 BHK flats with providing various facilities, amenities and specification in the real estate business in PCMC (Pimpri–Chinchwad) area at Pune district. Growing real estate market helps to financial institutions and banks in providing home loan the flat purchaser and financial institutions appoint finance executive who provides home loan to flat purchaser. It is huge demand for home loan and easily available home loan and fast sanctioning home loan process helps to flat purchaser taking purchase decision of flats. The researcher has selected some financial institutions and banks taking interview of finance executive for understanding role and selling process in providing home loan. It is focused on understanding task of finance executive and work process for providing home loan to the flat purchaser. The researcher visited in the financial institute office and bank office for taking interview of finance executive who provides the home loan. The researcher has focused on finance executive who works in outside field market for selling home loan to the flat purchaser. Youngsters after completion of education and experienced marketing executive entered in housing finance for doing good career in the real estate business. Financial institutions or banks are looking good market opportunities in the real estate business for providing home loan as compare to other loans. The researcher has one year experienced and worked on the post senior finance executive in the year September 2007 to August 2008. This experience helps to researcher for doing good research for collection of right information about providing home loan to the flat purchaser.

## **2. Objectives:-**

- To study on role of finance executive in providing home loan to the flat purchaser.
- To understand finance executive's task for providing home loan.

- To know the process of selling home loan and understanding selling technique used by finance executive for providing home loan.

### **3. Research Methodology:-**

The researcher has interviewed thirty respondents in the PCMC (Pimpri-Chinchwad) city area in the Pune district. The researcher has interviewed all sample respondents with 09 close ended questions regarding in providing home loan to the flat purchaser. The researcher has focused on finance executive role and task about providing home loan to the flat purchaser. The researcher has selected finance executive who works in the financial institute and bank in providing home loan to the flat purchaser and selected few financial institutions and banks i.e. HDFC, ICICI, DHFL LIC and Axis bank from these financial institutions and banks selected randomly total thirty respondents for taking interview of finance executive. The researcher has selected respondents who works in the outside field work in providing home loan to the flat purchaser. The researcher was one year experienced at HDFC for the post of senior finance executive for providing home loan before joining academic field and these experience helps for doing good research. It is part of minor research towards role of finance executive in providing home loan to the flat purchaser, so all area and aspects have not touched.

### **4. Data Analysis & Interpretation:-**

**Table 1. Service duration-**

Sr. No.	Particulars	Respondents	Percentage
1	1 – 5 Years	18	<b>61</b>
2	6 – 10 Years	06	21
3	11 – 15 Years	03	11
4	16 – 20 Years	02	05
5	Above 20 Years	01	02
6	Total	30	100

*(Source: Field Work)*

The above table indicates that majority of 61% respondents service duration are between one year to five years. It means that more number of finance executives work experience one year to five years for providing home loan to the flat purchasers. It is noted that after completion of education or others field experienced executives entered in this field for providing home loan because in this field incentives are more as compare to other marketing jobs. It is found that 21% respondents service duration between six years to ten years in the finance field for providing home loan. It is also noted that in this field those who takes more efforts for selling finance targets such executives earned more money and they are becoming financial well settled. Experienced finance executives easily generated more enquiries of flat purchasers and achieved more sales target on the basis of maintaining good relation with existing customers and sales executives of the builders. It is observed that service duration above fifteen years respondents found less because these experienced finance executives are diverted to another business or promoted at managerial level in this field or entered in other marketing sectors.

**Table 2. Sources of generating enquiry of flat purchaser**

Sr. No.	Particulars	Respondents	Percentage
1	Builders Sales Office	19	<b>62</b>
2	Reference from Existing Customer	05	17
3	Walk in Customer	08	26
4	Real Estate Agent	05	16
5	Chartered Accountant/Tax Consultant	04	14
6	Insurance Advisor	02	07
7	Freelancer	05	15
8	Online Enquiry	02	08

*Percentage is for out of 30 respondents (Source: Field Work)*

Above table shows that maximum 62% respondents generating enquiry of flat purchaser from builder's sales office. Builder,s sales office is a good source of collecting information about flat purchaser and it is main source for getting number of leads for providing home loan to the

flat purchaser. Sales employee of builders provide name list of flat booking customers who have recently purchased the flats on that basis finance executives taking follow-up of the customers for selling home loan. It is noted that walk in customer in their office also good source for generating enquiry of flat purchaser. Flat purchaser customers directly visit in their financial institute office for taking information about the process of home loan and these are good source for providing home loan to the customers. It is noted that various sources like reference from existing customer, real estate agents, freelancer and chartered accountant/tax consultant etc. also are good sources for generating enquiry of flat purchaser. It is observed that experienced finance executives getting more flat purchaser leads from existing customers and existing customer means already taken home loan last some years from the finance executive. Existing customer gives reference from his friend, relatives or staff member to the finance executive for providing home loan. Real estate agents also give flat purchaser information to the finance executive and finance executive also contact with real estate agents for getting information of flat purchaser. Tax consultant/chartered accountant give some leads of flat purchasers to finance executive for providing home loan. Tax consultant motivate to people for investing money in the flat for saving tax or capital appreciation and such type of leads finance executive takes from tax consultant. It is noted that freelancer gives lead of flat purchaser to the finance executive for providing home loan. Insurance advisor and online enquiry sources also help to finance executive for getting information of flat purchaser for selling home loan.

**Table 3. Everyday visited to builders' project for taking information of flat purchaser-**

Sr. No.	Particulars	Respondents	Percentage
1	1 - 3 Projects	23	<b>78</b>
2	4 - 6 Projects	04	14
3	7 - 9 Projects	02	06
4	Above 9 Projects	01	02
5	Total	30	100

*(Source: Field Work)*

The researcher has observed that majority of 78% respondents everyday visited to 1 to 3 projects for taking information of flat purchaser. It means that maximum finance executive visit 1 to 3 projects per day on busy schedule with handling arranging meeting with customers for providing information about home loan and collecting documents whichever is required for sanctioning home loan for completion of loan proposal file. It is possible to every finance executive every day they can visit one to three builders' sales office for getting customers information and maintaining good professional relation with sales employee of builders for getting booking list of the customers. It is seen that everyday 14% respondents visit 4 – 6 projects for taking information of flat purchaser. It is observed that tough competition in the real estate market for providing home loan to the customers due to this reason finance executives visited more projects per day for taking information of booking of flats. It is noted that various banks and financial institutions provide home loan and they tie-up with builders for providing home loan so it is not easy to collect information of about booking of flats. It is observed that to visit more than 9 projects per day is not easy or possible for collecting information about the customer with handling busy schedule and do not cover travelling distance between various projects. Finance executive should visit maximum projects if possible on daily basis for taking information about the flat purchaser which will help for achieving loan targets.

**Table 4. Factors considered for providing home loan to the flat purchaser-**

Sr. No.	Particulars	Respondents	Percentage
1	Income per Month	25	<b>84</b>
2	Nature of Job	20	68
3	Work Experience	14	47
4	Own Contribution Amount	16	54
5	Financial Help from Friends/Relatives	13	43
6	Savings Investment	11	38
7	Loan Sanction Eligibility	21	71
8	Property Eligibility	11	37
9	Average Bank Balance (Banking Habits)	09	29

*Percentage is for out of 30 respondents (Source: Field Work)*

The researcher has found that majority of 84% respondents considered income per month for providing home loan to the flat purchaser. Finance executive focuses on flat purchaser income for giving loan and income factor influenced sanctioning loan amount on that basis loan tenure, paying own contribution and fulfill customers paying loan eligibility etc. required for providing home loan. It is noted that 71% respondents considered loan sanction eligibility for providing home loan to the flat purchaser. Loan sanction eligibility factor also influenced for selling home loan to the customers and its effect on property cost, area of the property, type of flats 1, 2 and 3 BHK Flats and other hidden charges on the property etc. It is seen that nature of job, own contribution amount, work experience and financial help from friends/relatives etc. factors also considered for providing home loan to the customers. Salaried employees, self-employed and businessmen etc. occupation and nature of job also affected for providing home loan to the flat purchaser. Finance executives provided loan to the flat purchaser as per guidelines provided by financial institutions and banks on the basis of sanctioning home loan eligibility as per property cost or income base whichever is less. It is observed that home loan eligibility is based on own contribution amount, financial help from friends/relatives and savings investment etc. factors considered for providing home loan to the flat purchasers. Property eligibility also considered for providing home loan to the project on the basis of sanction plan from corporation, NA plot, back history of property, reserved area by government and any legal issues about the property etc. Financial institutions sees the average bank balance and saving habits of the customer on that basis they can provide home loan to the customer for reducing future risk for collection of EMI on regular basis.

**Table 5. Role/task of finance executive for providing home loan.**

Sr. No.	Particulars	Respondents	Percentage
1	Generating Customer Leads	25	<b>82</b>
2	Customer Visit	23	78
3	Customer Convenience	23	76
4	Collecting Customer Documents	22	74
5	File Submission in Operations department	22	72

6	Taking Feedback for Pending Documents	20	68
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*Percentage is for out of 30 respondents (Source: Field Work)*

Above table shows that 82% respondents role is generating customer leads for providing home loan. Finance executives main role is generating customer leads and identify of flat purchaser for selling home loan to the flat purchaser. Generating customer leads are right source to reach at right time, at right place and at right customer of flat purchaser on that basis they can achieved right financial target of providing home loan to the customers. It is noted that majority of respondents role/task is to customer visit, customer convenience, collecting customer documents and file submission in operations department etc. roles for providing home loan to flat purchasers. After generating customers enquiry from the market next role of finance executive is to discuss with customer on telephone about giving home loan information if customer ready then take appointment of customer to visit their home/office. When finance executive visited to customer then next step to convenience of the customer for taking home loan and after finalized agreed the customer then next step to discuss details about which documents is required on that basis collecting all essential documents from the customer. After collecting all documents from the customer this home loan proposal file have to submit in the operations department for taking green signal about sanctioning loan. When financial institution sanctioned loan after that as per demand letter of the builders releases loan amount step by step to the builders. It is seen that respondents are taking feedback for pending documents for providing home loan. It is noted that in the first visit customer does not give all documents due to this reason finance executives take feedback for pending documents for completion of the loan file.

**Table 6. Duration required for sanctioning home loan--**



Sr. No.	Particulars	Respondents	Percentage
1	1 – 3 days	08	26
2	4 – 6 days	17	<b>58</b>
3	7 – 9 days	04	14
4	Above 9 days	01	02
5	Total	30	100

*(Source: Field Work)*

According to the above table it is found that 58% respondents said that 4 to 6 days duration required for sanctioning home loan. It is seen that when flat purchaser submitted all essential home loan documents towards finance executive after that four to six days' time required for sanctioning home loan. Home loan sanctioned on the basis of customers occupation, nature of job, monthly income, previous loan track record, submission of documents, profile of company, profile of business, political background etc. factors effected for sanctioning home loan to the flat purchaser. It is noted that 26% respondents said that 1 – 3 days' time required for sanctioning home loan and generally for salaried employees required minimum time for sanctioning home loan as compare to other profession. Financial institution after getting all essential documents from the customer they sanctioned loan immediately within one week and salaried employees come in this category because salaried employees documents are three months' salary certificate, form number 16 and six months bank statement etc. as compare to other professions. It is observed that those who are self-employed and businessmen customer requires more time for sanctioning home loan and it's time required is seven to nine days or above 9 days. Self-employed and businessmen requires more documents like two years balance sheet, income tax return file, turnover of the business and bank passbook photocopy etc. It is seen that in some project if builders are not approved his project from financial institute and bank in this situation who purchased the flat such type of customers require more time above 9 days for sanctioning home loan file to fulfill demand of all project documents.

**Table 7. Identify customers loan eligibility criteria for providing home loan -**

Sr. No.	Particulars	Respondents	Percentage
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1	Yes	27	<b>91</b>
2	Sometime	02	07
3	No	01	02
4	Total	30	100

*(Source: Field Work)*

The collected data certifies that majority of 91% respondents are identify customers loan eligibility criteria for providing home loan to the flat purchaser. Finance executives have to focus on identifying loan eligibility criteria and loan eligibility criteria decides on the basis of flat purchaser monthly income and property cost. Financial institute provides home loan on income basis i.e. 40% to 50% funding amount considered on total monthly income for providing home loan and second criteria is considered on total property cost provide 80% to 90% funding loan amount for giving loan amount to the flat purchaser. It means that finance executive's main role is to identify customer loan eligibility criteria and this criteria will help for giving right commitment to the customer for reducing obstacles for sanctioning loan proposal file without facing pending queries from operations department. It is observed that in the sample city property costs are high as compare to customers income and these problems faced by finance executive for providing home loan to the customer. It is found that elite people and high packages of employee or businessmen in that case it is not required to identify customers' loan eligibility because loan easily sanctioned based on highly income.

**Table 8. Loan Tenure and rate of interest factor affected for providing home loan-**

Sr. No.	Particulars	Respondents	Percentage
1	Yes	26	<b>86</b>
2	Sometime	03	10
3	No	01	04
4	Total	30	100

*(Source: Field Work)*

Above table indicates that majority of 86% respondents said loan tenure and rate of interest factor affected while providing loan to flat purchasers. It is noted that loan tenure affected on paying total EMI to finance provider and if customer take less tenure he has to pay more EMI and if takes more tenure they have to pay less EMI. It is observed that generally customers take 20 years loan tenure or 15 years loan tenure. Flat purchasers takes decision about loan tenure and loan tenure is based on monthly income, total saving interest, paying capacity of EMI, supportive family income or investment in the property etc. factors affected for taking decision on loan tenure. Rate of interest also influenced paying loan EMI to the flat purchaser so that flat purchasers doing more enquiry for various banks or financial institutions at the time of purchasing flat. It is observed that finance executive does convince to the customer on the basis of providing rate of interest, require duration for sanctioning loan process and others loan related services provided by the financial institute. It is seen that few customers do not see or bargaining on loan tenure and rate of interest for providing loan to the flat purchaser. Such customers' category or professions are different for taking decision of home loan because some factors affected like to fulfill loan eligibility criteria, time require for sanctioning home loan, builders demand for paying money, nature of job and not permanent in the job profession etc. factors affected while taking home loan to the flat purchaser.

**Table 9. Taking follow up of the flat purchaser for providing home loan-**

Sr. No.	Particulars	Respondents	Percentage
1	Yes	27	<b>91</b>
2	No	02	06
3	Can't Say	01	03
4	Total	30	100

*(Source: Field Work)*

From the above table it shows that 91% respondents are taking follow up of the flat purchaser for providing home loan. After collecting enquiry of flat purchaser finance executive takes follow up for providing home loan and at initial stage they contact with customer for giving information about home loan. It is noted that respondents take appointment of the customer for

providing detail information about home loan and after conducting meeting with customer they always contact with customer unless and until customer not take finalized decision about home loan. After finalized home loan deal with flat purchaser, finance executive takes follow up about collection all necessary documents. It is noted that in the first meeting with flat purchaser, nobody submitted all necessary documents towards finance executive due to this reason they take follow of the flat purchaser for remaining documents and relevant information about the property. It is observed that finance executive takes follow up on the basis of providing all essential customer documents, company documents, property documents and bank profile documents etc. documents required for providing home loan to the flat purchaser.

## **5. Conclusion & Suggestions:-**

It is concluded that constructing residential flats is the fastest growing real estate business in the Pimpri-Chinchwad city area due to this reason huge number of residential flats available for selling flats to the customer. So number of banks and financial institutes provide home loan to the flat purchaser. It is found that after completion of education or others field experienced executives entered in banking or financial institutions for providing home loan because in this field incentives are more as compare to other marketing jobs. Finance executives visit to builders' sale office because sales office is a good source of collecting information about flat purchaser and getting number of leads for providing home loan to the flat purchaser. It is also found that various sources like reference from existing customer, real estate agents, freelancer and chartered accountant/tax consultant etc. also good sources for collecting enquiries of flat purchaser. It is noted that maximum finance executives visit 1 to 3 projects per day on busy schedule handling arranging meeting with customers for providing information about home loan and collecting documents whichever is required for sanctioning home loan for completion of loan proposal file. Finance executive every day visit one to three builders' sales office for getting customers information and maintaining good professional relation with sales employee of builders for getting booking list of the customers. It is also concluded that income factor influenced on selling home loan due to this reason finance executive focuses on flat purchaser income for giving loan and sanctioning loan amount on that basis loan tenure, paying own contribution and fulfilling customers paying loan eligibility etc. required for providing home

loan. It is found that nature of job, own contribution amount, work experience and financial help from friends/relatives etc. factors also considered for providing home loan to the flat purchaser.

It is concluded that generating customer leads is right source to reach at right time, at right place and at right customer of flat purchaser on that basis finance executive achieved right financial target of providing home loan to the customers. It is found that majority of respondents role/task is to customer visit, customer convenience, collecting customer documents and file submission in operations department etc. roles for providing home loan to flat purchasers. It is concluded that generally 4 to 6 days duration required for sanctioning home loan and home loan sanctioned on the basis of customers occupation, nature of job, monthly income, previous loan track record, submission of documents, profile of company, profile of business, political background etc. factors effected on sanctioning home loan to the flat purchaser. It is found that finance executives main role is to identify customer loan eligibility criteria and this criteria will help for giving right commitment to the customer for reducing obstacles for sanctioning loan proposal file without pending decisions from operations department. It is noted that loan tenure is based on monthly income, total saving interest, paying capacity of EMI, supportive family income or investment in the property etc. factors affected for taking decision on loan tenure. Rate of interest also influenced paying loan EMI to the flat purchaser so that flat purchasers doing more enquiry for various banks or financial institutions at the time of purchasing flat. Finance executive takes follow up for providing home loan and they take appointment of the customer for providing detail information about home loan and after conducting meeting with customer, they always contact with customer and after finalized home loan deal with flat purchaser, finance executive takes follow up about collection all necessary documents.

After conducting proper survey and interview of the finance executives I suggest the following suggestions...

- Financial institutions and banks should focus on giving motivation to finance executives for selling home loans and providing attractive incentives, gifts and medical facilities to the finance executives which will help for achieving monthly home loan sales target.
- Builders sales office is the best source for generating enquiry of flat purchaser so that finance executives should focus on builders sales office and other sources like walk in customer, reference from existing customer, real estate agents, freelancer, tax

consultant/chartered accountant and insurance advisor etc. sources to concentrate for providing home loan to the flat purchaser it will help for achieving financial targets.

- Finance executive should visit to maximum projects if possible on daily basis visit minimum five to six projects for taking information about the flat purchaser and maintain good relation with sales staff which will help for achieving sales target and maintain good relation with sales employee of builders for getting more business.
- Finance executives should visit to maximum customers for providing home loan information and focus on taking follow up for pending documents for completion of the loan file which will help for completion of number of login files on month ending target to fulfill sales target.
- Financial institutes or banks should arrange and provide training and development program on understanding loan eligibility criteria, property eligibility criteria, understanding customers' perception, product information and increasing sales knowledge etc. for the purpose of increasing marketing knowledge of finance executive in providing easily home loan to the flat purchaser.

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