ISSN: 2321-7782 (Online)
Volume 4, Issue 1, January 2016
International Journal of Advance Research in Computer Science and Management Studies
Research Article / Survey Paper / Case Study
Available online at: www.ijarcsms.com

National Goal of 'Housing for All by 2022' and the Significance of Scaling up Priority Sector Housing Credit by Banks in India: Some Empirical Evidence

Dr. Manoj P K
Assistant Professor, Department of Applied Economics,
Cochin University of Science and Technology (CUSAT),
Kochi, Kerala – 682 022, INDIA

***Abstract:** In India the largest group among the formal sector financial intermediaries in housing finance is Commercial Banks (CBs) ever since 2003. The other major intermediary group viz. Housing Finance Companies (HFCs) is only in the second position since 2003, though this group used to be the leaders till then. The business of CBs is general in nature and is highly diversified, housing finance being just one in the portfolio. But, the other agency group (i.e. HFCs) consists of specialised entities focusing on housing credit alone. Even though HFCs started facing stiff competition from CBs since the early 2000s when the CBs aggressively entered housing finance arena, there has been a gradual re-emergence of the HFCs over the last few years particularly since2006. Since 2000, HFCs had been losing their market share to CBs eventually losing their No. 1 status in the housing finance industry in 2003. The re-emergence of HFCs is going on since 2006 and the market share of this group is going up vis-à-vis CBs. Still, CBs with a market share of 63 per cent as of 2015 is the undisputed market leader at present. So also, as the largest agency group in housing finance in India since 2003, the role of CBs in attaining the national goal of the Government of India viz. 'Housing for All by 2022' is of utmost significance. This paper studies the nature and extent of the 'Real Housing Problem' in India, the vital role of CBs in addressing this problem so as to attain the ultimate goal of 'Housing for All by 2022' and the added significance of housing credit under the Priority Sector Lending (PSL) scheme.*

***Key words:** Mortgage Penetration Ratio, Affordable Housing, Housing Micro Finance, Priority Sector Lending (PSL).*

I. Introduction

It is well recognized in the literature that housing has immense potential for economic development of any nation, apart from its social development role. This is particularly true in respect of developing nations like India. On the one hand, its vast forward and backward linkages with 269 other industries enable it to promote faster and balanced economic development of a nation. On the other hand, from a social perspective, the fact that housing is one of the primary requisites of human life underscores its significance in a welfare state. As is pointed out by Manoj P. K (2003) [1] in his paper 'Retail Credit – Strategies for Success in the Emerging Scenario' housing has tremendous potential to kick-start a recession-hit economy, and hence housing and other retail credit products of banks can not only ensure sustained and balanced growth of banks but also accelerate economic growth of the whole nation, particularly in times of economic recession. Thus, in the early 2000s when there an economic slump in India, housing loans (and other retail credit products) were begun to be aggressively promoted by the commercial banks (CBs); because the banking regulator viz. the Reserve Bank of India (RBI) encouraged housing credit, allowed the onward lending of housing finance by the CBs and even earmarked 2 per cent of the incremental credit of CBs for retail housing credit. This has resulted in CBs increasing their share in the housing finance market and eventually overtaking the Housing Finance Companies (HFCs) in 2003. Thus, HFCs – the intermediary group which had been the market leader till 2002

– has been only in the second position since 2003. However, since 2006 there has been a gradual re-emergence of HFCs and the share is HFCs is on the rise every year.

Because of its vast potential for socio-economic development, housing occupies a prominent place in the policy decisions of the Governments worldwide, particularly in the developing nations like India. In India, the vital significance accorded to housing is reflected in the policies and budget outlays of the Government, particularly since the late 1970s. Governmental concessions by way of tax benefits to the beneficiaries and lenders of housing finance, refinance at low rates to the lenders etc. are examples. This favourable policy of the RBI and the successive Governments continues even now and the present housing policy of the Government of India seeks to attain 'Housing for All by 2022'. RBI, 2014 (b) [19] in its latest policy report has observed, "Development of housing and mortgage markets has an important role in growth and employment. Given that the government is committed to a policy of 'Housing for All by 2022', the housing sector has immense potential to grow; so do the mortgage markets". As the group representing the leader of housing finance market ever since 2003, CBs has to take a major responsibility in attaining the national goal. Besides scaling up their operations, CBs need to find alternate models to cater to the finance needs of the vast majority of the shelter-less who account for as high as 91.80 per cent of the total housing shortage in India. CBs need to address the 'Real Housing Problem' or the housing shortage problem of the customers in the LIG (low income group), EWS (economically weaker sections, BPL (below poverty line) and other marginalized groups while scaling up their housing credit.

Just like the CBs, the other intermediary group viz. HFCs should also scale up their operations and that too with a focus on the poor and marginalized – the victims of India's 'Real Housing Problem'. Considering the nature, extent and gravity of the housing problem and keeping in mind the national goal of 'Housing for All by 2022' the regulatory body for housing finance in India viz. National Housing Bank (NHB) is planning to launch 80 specialized HFCs called AHFCs (Affordable Housing Finance Companies) in India soon [2]. The proposed AHFCs seek to focus on financing 'Affordable' housing segments i.e. the LIG, EWS, BPL etc. Here, in this paper the utmost need of the CBs to focus on priority sector housing credit is sought to be explored further.

II. Previous Studies and Research Gap

Manoj P K (2003) [1] in his research paper, 'Retail Credit – Strategies for Success in the Emerging Scenario' has suggested strategies for the sustained growth of the retail credit portfolio of banks, which primarily comprises of housing finance, as a safe means of increasing business and also kick-starting the then recession-hit industry of India. The vital significance of the linkages that housing has got with other industries, and hence its immense potential for faster economic growth are pointed out by the author. Manoj P. K (2004) [3] in his another research paper, 'Dynamics of Housing Finance in India' has pointed out the growing appetite of commercial banks (CBs) towards housing credit, the declining share of housing finance companies (HFCs) in the housing finance market, and has suggested macro level strategies for the sustained and balanced growth of housing finance market in India. The needs for promotion of a secondary mortgage market (like, RMBS), alternative models like Housing Micro Finance (HMF) etc. have been highlighted in the paper. Research agency IFMR (2007) [4] (through its Centre for Microfinance) in its Working Paper 19 entitled, 'Housing Microfinance: Designing a Product for the Rural Poor' has pointed out the vital significance of promoting Housing Microfinance (HMF) in addressing the chronic housing problem in India which is primarily that of the poor and marginalized, like those in the LIG (Low Income Group) and EWS (Economically Weaker Sections). Only through alternative financing models like HMF, which alone could reach the above sections which are beyond the access of the formal sector housing finance institutions, the real housing problem in India could be solved. The report, thus, seeks to design the suitable HMF product for the Indian poor. Manoj P. K (2008) [5] in his research paper, 'Learning from Cross-country Experiences in Housing Finance: A Microfinance Approach' seeks to suggest appropriate macro level strategies for promotion of housing micro finance (HMF) in the Indian context by suitably replicating successful and time-tested HMF and such other alternative housing finance models prevalent elsewhere in the world. Manoj P K (Ed.) (2009) [7] in his edited book, 'Emerging Technologies and Financing Models for Affordable Housing in India; has discussed many housing finance models and technologies which could promote affordable and low cost housing in the Indian context. The research agency ICRA (2010) [8] in its industry research report, 'Housing Finance Companies and the Indian mortgage market' has analysed the changing landscape of India's housing finance market, the greater growth rate and gradual re-emergence of housing finance companies (HFCs) vis-à-vis the housing finance portfolio of commercial banks (CBs), the superior asset quality and profitability of HFCs. The very significant role that HFCs has to play in the emerging scenario to meet the huge housing shortage in the country has been highlighted in the study.

Karnad, Renu S (2010) [9] the CEO of HDFC – the largest and pioneer HFC in India, in her presentation at National Housing Bank (NHB) – the industry regulator in India, entitled as 'Base Rate and Impact on HFCs' has pointed out as to HFCs are going to be affected by the then RBI policy towards directing commercial banks (CBs) to arrive at their lending rates on loans based on specific 'base rates' as fixed upon by they themselves as per the said policy. It has been noted that as CBs are not allowed to lend below their base rates, the policy would affect HFCs as they often depend on CBs for raining funds. The lending rates of HFCs would then be still higher, as they have to cover their own borrowing rates from CBs, thus adversely affecting their business. Manoj P K (2010) [10] in his research paper, 'Benchmarking Housing Finance Companies in India: Strategies for Enhanced Operational Efficiency and Competitiveness' has studied in detail the relative competitive position of the major HFCs in India and has suggested specific strategies for their enhanced operational efficiency and competitiveness. Manoj P K, (2010) [11] in his another research paper 'Determinants of Successful Financial Performance of Housing Finance Companies in India and Strategies for Competitiveness: a Multivariate Discriminant Analysis' has sought to identify the determinants of superior financial performance of HFCs using MDA (Multivariate Discriminant Analysis) method and derived a discriminant function involving five parameters (from among 21 parameters used for analysis) that significantly influence the financial performance of HFCs, these five parameters being (i) Total Income to Housing Loan Assets, (ii) Other Income to Total Assets, (iii) Total Expenses to Housing Loan Assets, (iv) Interest Expenses to Housing Loan Assets, and (v) Interest Expenses to Total Expenses. The same author, Manoj P K (2010) [12] in his another paper, 'Financial Soundness Housing Finance Companies in India and Determinants of Profitability: A 'CAMEL' Approach along with ROE Decomposition Analysis' has used 'CAMEL' methodology and ROE decomposition analysis to identify the determinants of profitability of HFCs. Yet another research paper by the same author Manoj P K (2011) [13], 'Determinants of Profitability of Housing Finance Companies in India and Strategies for Competitiveness: a Multiple Partial Correlation Approach' has suggested competitive strategies for different groups of HFCs based on the basic parameters that significantly influence the respective groups of HFCs. India Brand Equity Foundation (IBEF) (2015) [15] in its industry report on Banking has pointed out the immense growth prospects of India's banking sector in view of the favourable demographics, robust demand, high interest margins and asset quality. Housing and other personal finance (retail credit) products are specially pointed out. Housing finance and allied products are considered as a 'Key Drivers' for the banking industry in India.

Reserve Bank of India (2014) (a) [18] in its Working Paper 3, 'Re-emerging Stress in the Asset Quality of Indian Banks: Macro-Financial Linkages' has expressed concern over the declining asset quality and increasing NPAs of bank loans. Regarding the quality of priority sector advances, the significant share of non-priority sector loans in the total NPAs (at about 55 per cent) in the post-2000 period as against about 45 per cent for priority sector loans is pointed out. It has been pointed out that retail loans occupy the highest share of NPAs followed by SSIs, agriculture, personal loans, housing loans, exports, credit cards and auto loans. A declining trend in the relative share of housing loans in the sectoral share of NPAs since 2007 can be noted in this RBI working paper. Reserve Bank of India (2014) (b) [19] in its Financial Stability Report Dec. 2014 (including Trend and Progress of Banking in India 2013-14) has pointed out the generally satisfactory situation of the asset quality and asset prices in respect of housing loans. The correction in the housing prices witnessed in many cities in India, and the gradually falling trend in both the LTV (Loan to Value) ratio as well as LTI (Loan to Income) ratio is pointed out in this vital report of the RBI.

The research report by the agency IFMR (2015) [16] entitled 'Affordable Housing Finance Sector: Overview' makes a detailed analysis of the need, relevance and significance of affordable housing in India in the context of the national goal 'Housing for All by 2022' adopted by the Government of India. The vital role that HFCs has to play in the above context is highlighted in the report. The fact that there has been a gradual re-emergence of HFCs since 2013, with HFCs surpassing the CBs in growth rates, significantly improving their market share is specifically pointed out. Reserve Bank of India (2015) (a) [20] in its Financial Stability Report, July 2015 has pointed out the generally satisfactory scenario regarding the asset price movements as well as asset quality in respect of housing loans. Relatively simple financial products relating to the housing sector coupled with the gradual moderation in asset prices and the generally falling LTV and LTI ratios have been pointed as the indicators of the low systemic risk in Indian housing market. Reserve Bank of India (2015) (b) [21] in its latest statutory publication (viz. Trend and Progress of Banking in India 2014-15, Dec. 2015) has reported a consistent growth rate in respect of housing loans which accounts for about half of the retail credit of CBs; the growth rate housing loans being nearly 20 percent for 2014-15. In a recent research paper by the present author Manoj P K (2016) [14] entitled, 'National Goal of Housing for All by 2022 and the Housing Finance Companies in India: Strategies for the Sustained Growth of HFCs' the utmost significance of scaling up the operations of HFCs is pointed out. Strategies for the sustained growth of HFCs in India in the ongoing scenario are suggested. The case of CBs is not dealt in detail in this paper; rather, the focus is only on the HFCs – the specialized entities in housing finance – and the need for encouraging HFCs in the current regime. The additional dimension of 'Affordable Housing' expected of the HFCs, in view of attaining the national goal of 'Housing for All by 2022' is highlighted.

In view of the foregoing, it is noted that studies on CBs with special respect to their housing finance portfolios are scarce. As the leading formal sector intermediary group in the housing finance market, the vital role of CBs in helping India attain its national goal of 'Housing for All by 2022' need not be overemphasized. This paper seeks to bridge the research gap by making a detailed study of the role of CBs in attaining the national goal. It offers strategies for the scaling up of housing credit portfolio of the CBs in India, particularly their priority sector housing credit. It is a continuation of the earlier paper, Manoj P K (2016) [14].

III. HOUSING SHORTAGE IN INDIA: NATURE OF THE "REAL HOUSING PROBLEM" IN INDIA

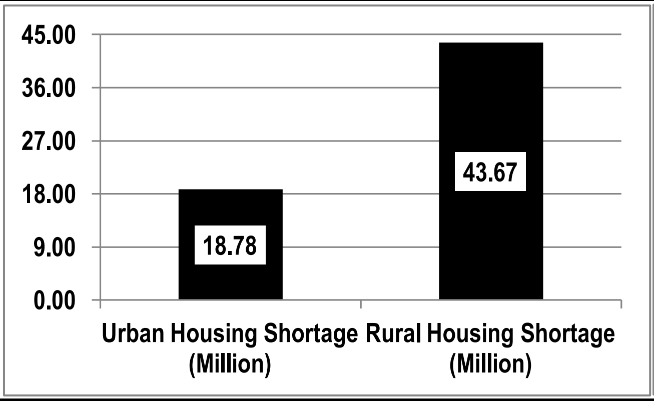
The present housing situation in India is very poor as is evident from the high levels of housing shortage, both in urban and rural areas. The estimated urban housing shortage in India during the ongoing XII Plan period (2012-2017) is at the level of 18.78 Million units whereas the same in respect of rural housing is as high as 43.67 Million units (Table I). A glaring feature of housing shortage in India is that as high as 90 per cent of the rural housing shortage in India relates to BPL (Below Poverty Line) households and the rest 10 per cent alone pertains to APL (Above Poverty Line) category. Likewise, as high as 95.62 per cent of the total urban housing shortage relates to EWS (Economically Weaker Sections) (56.18 per cent) and LIG (Low Income Group) put together, and the rest 4.38 per cent alone goes to the MIG (Middle Income Group) category. It may be noted that the 'real housing problem' in India relates to the poor and the marginalized sections ie. those in the BPL, EWS and LIG categories. As high as 57.33 million (i.e. 91.80 per cent of the total housing shortage of 62.45 million) relates to these groups. (Table I & Figure I).

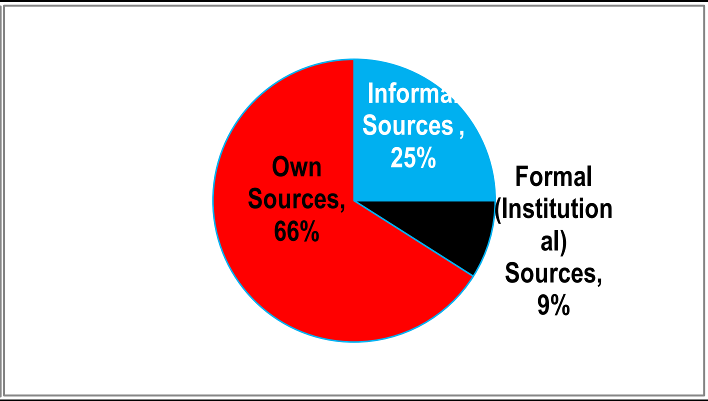
TABLE I Estimated Housing Shortage (in Million) in India during the XII Plan Period (2012-2017)

Urban Housing[1]			Rural Housing[2]		
Category	Shortage	Percentage	Category	Shortage	Percentage
Economically Weaker Sections (EWS)	10.55	56.18	Below Poverty Line (BPL)	39.30	90.00
Lower Income Group (LIG)	07.41	39.44	Above Poverty Line (APL)	04.37	10.00
Middle Income Group (MIG)	00.82	04.38			
Total	18.78	100.00	Total	43.67	100.00

Source: [1] Urban Housing Shortage (2012-2017) Report of the Ministry of Housing & Urban Poverty Alleviation to estimate the Urban Housing Shortage for the XII Five Year Plan (2012-2017).
[2] Working Group Report on Rural Housing for the XII Five Year Plan (2012-2017).

FIGURE I
Housing Shortage Problem (2012-2017) and the Scope for the Expansion of Formal Sources of Housing Finance in India





Source: As shown in Table I.

Given the huge untapped market for formal (institutional) sources of housing finance in India as evidenced by the very low mortgage penetration ratio of 8.2 per cent at present (2015) and a huge estimated housing shortage of 62.45 Million (XII Plan, 2012-2017) the growth prospects of formal sector institutional agencies in housing finance like CBs (and so also HFCs etc.) are very bright (Table I & Figure I). However, since the 'real housing problem' relates to the poor, both in urban and rural India, such agencies in housing finance (like, CBs and HFCs) have to focus on the housing needs of the poor. This situation underscores the need for promoting 'Affordable Housing', 'Budget Housing', 'Public Housing' and such other pro-poor housing schemes which alone can address the 'real housing problem'. Moreover, given the huge housing shortage for the LIG, EWS, BPL groups of 57.33 million (2012-2017) out of the total housing shortage of 62.45 million, i.e. 91.80 per cent of the total, specialized institutions like AHFCs, as envisaged by the NHB appears to be an imperative rather than an option to attain the national housing goal in India.

IV. Objective of the Study

(i) To make a closer study of the real nature of housing problem in India and the extent of housing deprivation among the various social groups in the population, with a focus on the poor and other marginalized sections;

(ii) To study the broad trend and pattern of the housing finance market in India in the ongoing reforms era, the role of the major players like the Commercial Banks (CBs) and Housing Finance Companies (HFCs), and the relevance and significance of alternative models to cater to the housing finance needs of the poor and other marginalized sections;

(iii) To make a detailed study the role of CBs in solving the housing problem in India, the trend and pattern of the housing credit by CBs, and the added significance of priority sector housing credit by CBs in the ongoing scenario; and

(iv) To formulate broad strategies and policy suggestions for faster, balanced, equitable and sustainable housing development in India with a focus on the role of CBs – the largest among the formal sector institutions in housing finance in India.

V. Research Questions

(i) Is the Priority sector Housing credit becoming less significant year after year, and what has been the trend?

(ii) Is the NPA level in respect of Priority sector credit more than that of Non-Priority sector, particularly for housing loans?

(iii) Is Priority sector credit, particularly the Priority sector housing credit, deserves greater attention at present, and how?

VI. HOUSING FINANCE MARKET IN INDIA: BROAD TREND AND PATTERN

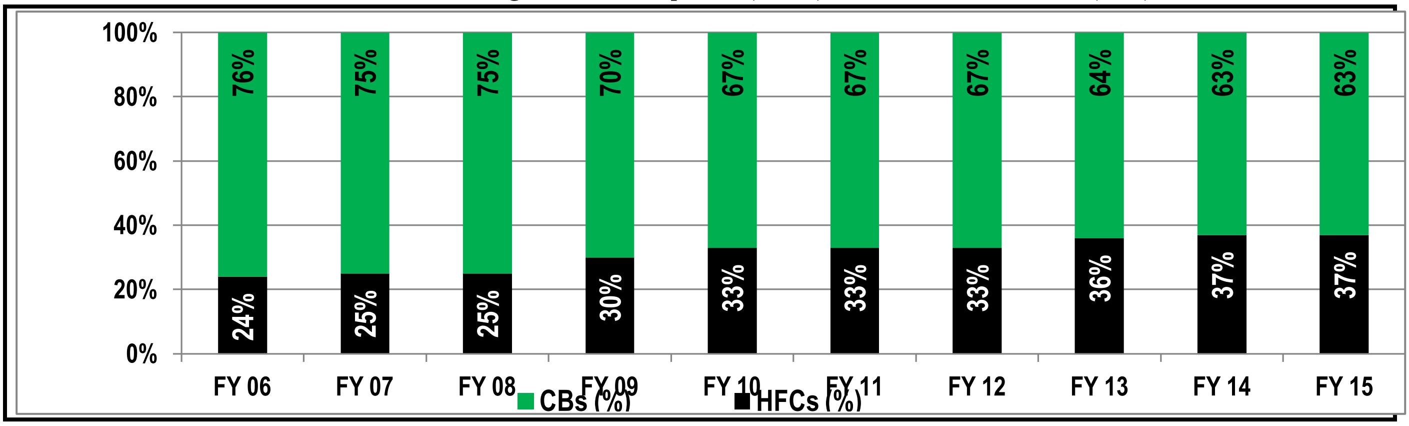
The priority status of housing sector and relatively less risky nature of assets (mortgaged assets) have attracted many players to enter the housing finance industry in India. In the pre-reforms era only a few housing finance companies (HFCs) were there in the institutional housing finance market; many of these HFCs being the housing finance subsidiaries of prominent commercial banks (like, SBI Home Finance promoted by the State Bank of India, Canfin Homes promoted by the Canara Bank, Indbank Housing promoted by Indian Bank etc.) or those promoted by leading developmental institutions (like, LIC Housing Finance promoted by the Life Insurance Corporation of India, and GIC Housing Finance promoted by the General Insurance Corporation of India). The most prominent HFC continues to be HDFC – the pioneer HFC and the largest in India, ever since its inception in 1977 till date. As part of the ongoing measures for financial sector deregulation in India initiated in 1991, commercial banks (CBs) were also permitted by the banking regulator Reserve Bank of India (RBI) to provide onward lending towards individual housing finance in 1999. Accordingly, many CBs aggressively entered the housing finance arena, thus posing a serious threat to the HFCs which hitherto controlled almost the full market, as specialized institutional agencies for housing finance. The co-operative sector institutions were also there in housing finance, but their presence has been quite low throughout and of late it is negligible. With the entry of CBs, the competition in the industry became very intense; the relative share of HFCs came down. In 2003 the CBs overtook HFCs as the largest intermediary group. Since 2003, CBs represent the largest intermediary group in housing finance and CBs are followed by HFCs – the second largest group. However, there has been a reversal of the trend as evidenced by the higher growth rate of HFCs. The market share of HFCs has been gradually growing and the same has increased from about 25 per cent in 2004 to as high as 37 percent in 2015. The share of CBs has come down from 75 per cent in 2004 to 63 per cent during in 2015. (Table II). (Figure II & Figure III). The total housing credit in India is estimated to be 10.5 trillion as of 31 March, 2015 as against 8.9 trillion as of 31 March, 2014; i.e. the year on year growth rate is 18 per cent for FY 2015. (ICRA, 2015) [24].

TABLE II
Relative Market Share of Housing Finance Companies (HFCs) and Commercial Banks (CBs)

Particulars	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Share of HFCs (Per cent)	24	25	25	30	33	33	33	36	37	37
Share of CBs (Per cent)	76	75	75	70	67	67	67	64	63	63

Source: (i) National Housing Bank (NHB), *Report on Trend and Progress of Housing in India* (for years 2004 to 2014) [25].
(ii) ICRA Research Report, *Indian Mortgage Finance Market (2014-15)*, ICRA Research Services, New Delhi [24].

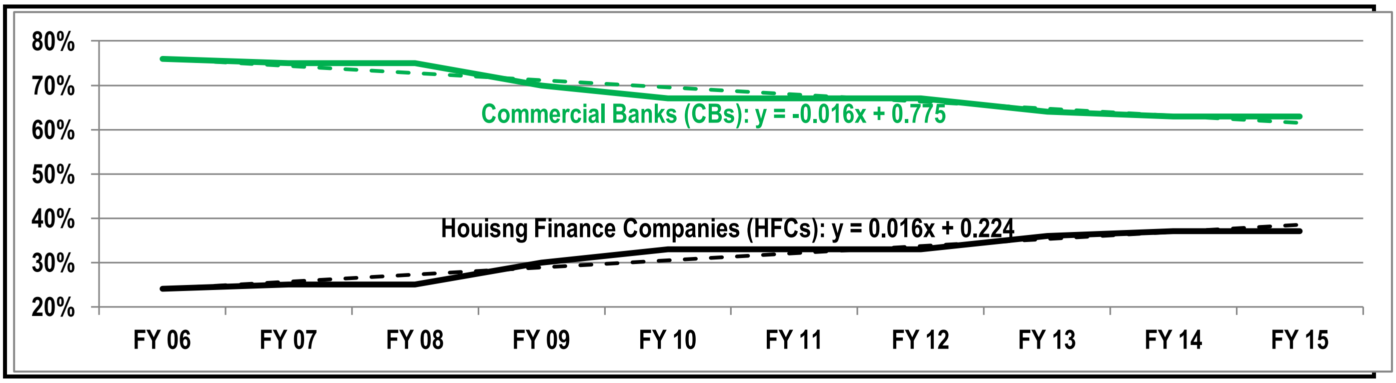
FIGURE II
Relative Market Share of Housing Finance Companies (HFCs) and Commercial Banks (CBs) in India



Source: Based on NHB and ICRA Data, as given Table II.

FIGURE III

Pattern in the Growth Rates of Housing Finance Companies (HFCs) and Commercial Banks (CBs) in India

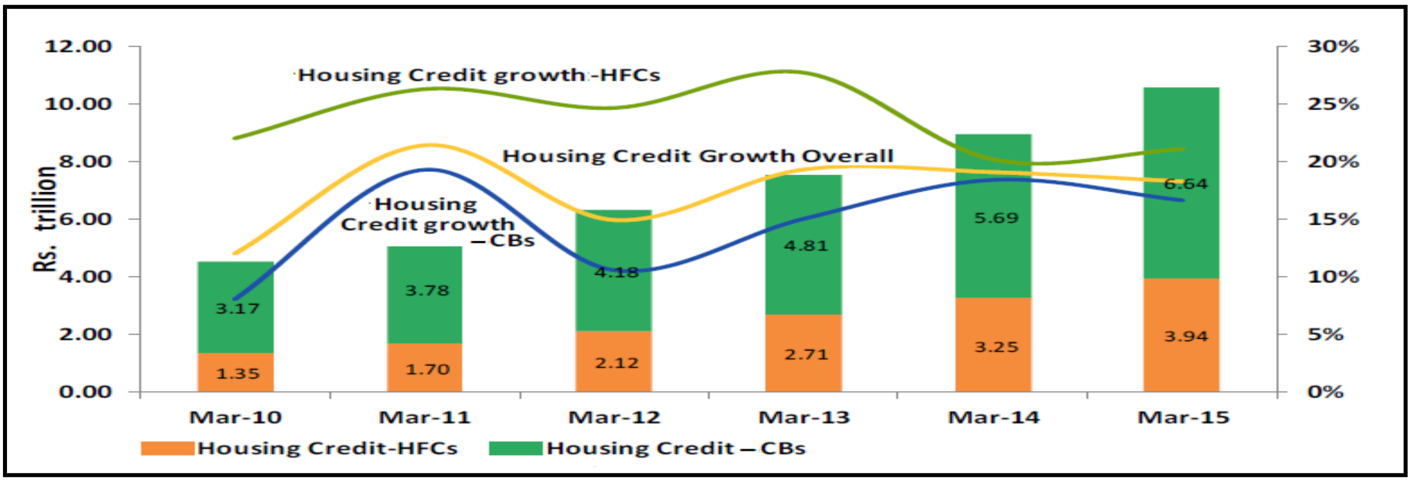


Source: Based on NHB and ICRA Data, as given Table II.

As is evident from Table II and Figures II and III, the growth rate of HFCs has been higher than that of CBs. There has been significant increase in the number of HFCs in the recent past. As against 43 HFCs in India as of June 2009, there are as high as 72 HFCs as of June 2015 as per the official records of NHB – the regulator of HFCs in India (NHB, 2015) [25]. Of these 72 HFCs in India with NHB registration as of 2015, only 18 HFCs have the permission to provide housing finance and also to accept deposits from the public. The rest 54 HFCs have permission to do lending business only, and not to accept public deposits.

FIGURE IV

Housing Credit Outstanding (Rs in Trillion) and Growth Rates (Year on Year) of HFCs and CBs in India



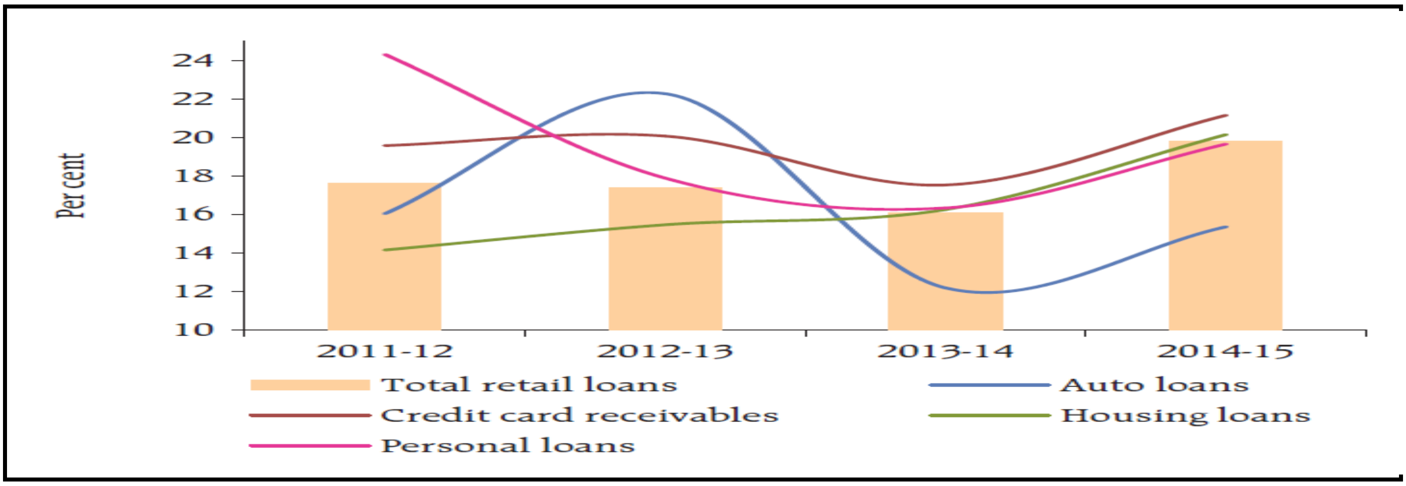
Source: Adapted from, *Banking*, Industry Report, IBEF, Aug. 2015 [15]

From Figure IV it is noted that the total housing credit outstanding in India as of March 31, 2015 has been of the order of Rs. 10.36 Trillion which is shared by CBs (67 per cent) and HFCs (37 per cent). Throughout the period, HFCs registered a higher growth rate year on year (Y-o-Y) vis-à-vis the CBs. This has enabled them to maintain a growth rate more than the overall growth rate of the housing finance industry as a whole and also to steadily increase their market share from 33 per cent in 2010 to over 37 per cent in 2015. (Figure IV). ICRA estimates the CBs to register a higher growth rate of about 17 to 19 per cent from 2016 onwards in respect of their housing loans (roughly 50 per cent of their retail credit portfolio). (ICRA, 2015) [24]. However, in spite of the higher growth rates of HFCs vis-à-vis CBs over the years, CBs continue to be the market leader with a share of not less than 63per cent. As such, CBs will have the largest responsibility in expanding the market in order to absorb the huge housing shortage primarily through catering to the poor and other marginalized sections of the population.

VII. Role of Commercial Banks in Solving the Real Housing Problem – Housing Credit is the Key Driver

As per the official publication of the RBI, there has been a growth rate of about 20 per cent in respect of housing loans during FY 2014-15 (RBI, Dec. 2015) (b) [21]. It may further be noted that there is a steadily increasing trend in respect of the growth rate of housing loans, unlike in the case of all the other types of retail credit loans, as is evident from Figure V. Based on CAGR (Compounded Average Growth Rate), it is noted that while housing loan segment has grown at 11.50 CAGR over the period 2009-2015, the growth rate has been only 9.3 CAGR in respect of other retail credit segments over the same period. (Figure VI).

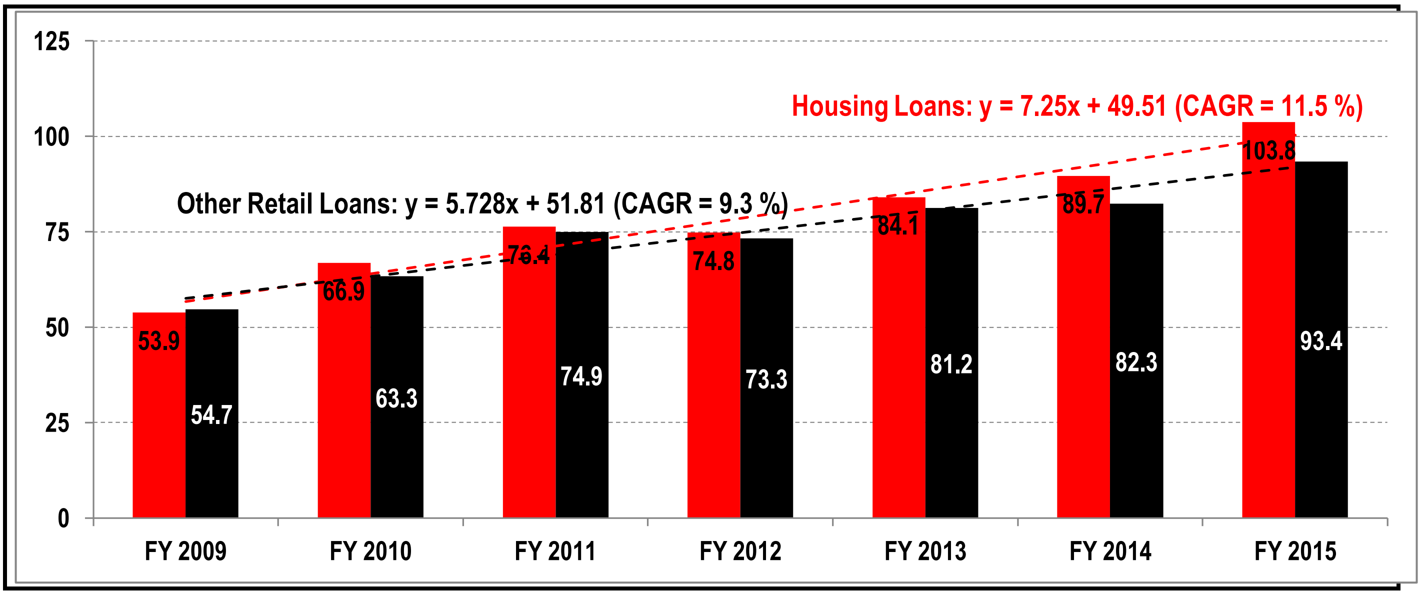
FIGURE V
Growth in Retail Credit (Housing Loans, Credit Card Receivables etc.) of CBs in India



Source: RBI, *Report on Trend and Progress on Banking in India 2014-15*, Dec. 2015 (www.rbi.org.in) [21]

FIGURE VI

Growth in Retail Credit (Housing Loans, Credit Card Receivables etc.) of CBs in India [USD in Billions]



Source: (i) *Statistical Tables relating to Banks in India*, for 2015, RBI (c) [22] & 2012, RBI [23], and (ii) IBEF, Aug. 2015 [15]

It is widely recognized that housing finance is going to be the 'Key Driver' for the growth of banking industry in India in the days to come (IBEF, Aug. 2015, pp.33-34.) [15]. This fact is suggested by the latest statistics of the RBI also, because in spite of huge variations in the total credit off-take of banks over the last few years, there has been steady growth in respect of housing loans. Besides, housing credit as a percentage of the total credit off-take by the banks has also been at a somewhat constant level of about 9 per cent throughout the period (RBI, Dec. 2015) (b) [21].

Now, increasing the share of housing credit from the present level of 9 per cent to at least about 30 per cent is an imperative for the balanced and sustained growth of the banking sector and also for bridging the huge housing shortage in the country at least partly. The gap between the housing demand and housing supply is quite wide, because it is estimated that the housing demand of the low-income and mid-income segments more than three to four times the supply. (IBEF, Aug. 2015) [15]. But, it may be pointed out that the grossly un-served or under-served segments which represent the 'Real Housing Problem' in India (like, LIG, EWS, BPL etc.) deserve alternative housing finance schemes for bringing them too within the formal housing finance system. In this context it is meaningful to study the composition of housing credit extended by the CBs in India by bifurcating the same into Priority sector Housing credit and Non-Priority sector housing credit. (Table III).

TABLE III

Total Credit by the CBs and the Break-up of Housing Credit into PSL and Non-PSL Types [Amount in US Dollar Billion]

Financial Year	Total Non-Food Credit	Housing Credit			Housing Credit to Total Non-Food Credit (Percent)	PSL Housing to Total Housing Credit (Percent)	Non-PSL Housing to Total Housing Credit (Percent)
		Total	PSL	Non-PSL			
2008	228782.88	29494.76	21197.65	8297.11	12.89	71.87	28.13
2009	284693.61	32395.82	22394.11	10001.71	11.38	69.13	30.87
2010	325620.40	34555.21	24812.11	9743.10	10.61	71.80	28.20
2011	394005.65	39439.76	27753.15	11686.61	10.01	70.37	29.63
2012	465628.01	45629.65	29967.36	15662.29	9.80	65.68	34.32
2013	539456.31	51102.79	30870.95	20231.84	9.47	60.41	39.59
2014	677878.49	60141.42	34827.41	25314.01	8.87	57.91	42.09
2015	684530.25	70171.49	37819.94	32351.55	10.25	53.90	46.10
2016*	425736.67	46640.30	22904.76	23735.54	10.96	49.11	50.89

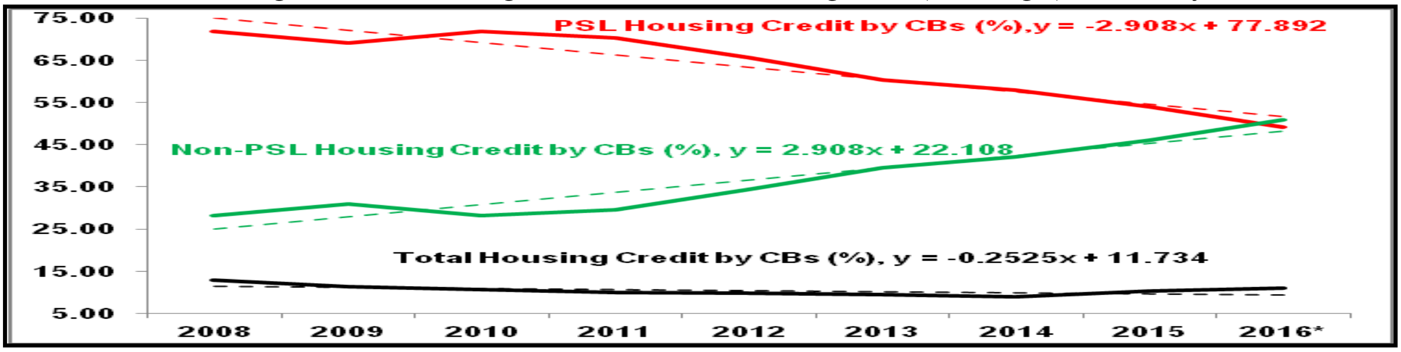
Source: Computed from (Monthly data), *Statistical Tables relating to Banks in India*, RBI, Dec. 2015 (c) [22].

[Note: In respect of FY 2016, the data pertains to the first 8 months' period till Oct. 2015 only; not the full financial year].

From Table III and Figure VII, it is noted that the share of total housing credit, i.e. inclusive of the housing credit under priority sector lending (PSL) scheme, in the total credit of CBs in India is slowly coming down as is evident from the negative of -0.2525 for the relevant trend line. In respect of the share priority sector credit in the total housing credit, however, there is a very significant trend of steady and constant decline. This fast declining trend of priority sector housing credit as a percentage of the total housing credit by the CBs is definitely a matter of concern. Because, the housing credit channels to the BPL, EWS, LIG segments from the formal sector (here, CBs) is getting thinner year after year. There is a huge decline of 22.76 per cent in the period from 2008 (71.87 per cent) and ending in 2016 (49.11 per cent) (Table III & Figure VII). The declining trend in respect of total housing credit, and the very fast declining trend in respect of the share of PSL housing credit in the total housing credit show that CBs are not playing a very pro-active role in addressing the housing problem, particularly India's 'Real Housing Problem'.

FIGURE VII

Share of Total Housing Credit, PSL Housing Credit and Non-PSL Housing Credit (Percentages) Extended by CBs –Trend



Source: Based on data computed from *Statistical Tables relating to Banks in India*, RBI, Dec. 2015 (c) [22]; shown in Table III

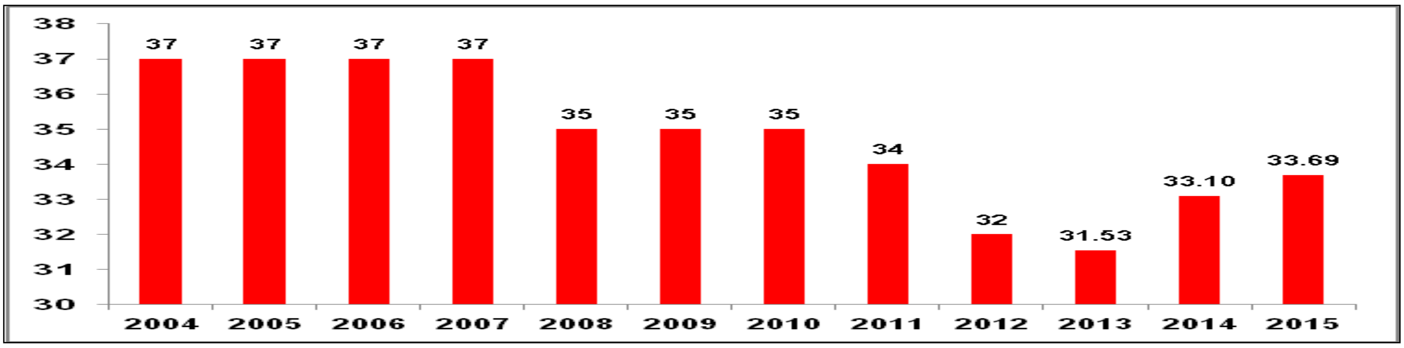
Given the vast untapped market for formal (institutional) sources of housing finance in India as evidenced by the very low mortgage penetration ratio of 8.2 per cent at present (2015) and a huge estimated housing shortage of 62.45 Million (XII Plan, 2017-2022) CBs have to scale up their housing credit exposure with a focus on priority sector for their own long term growth and profitability. There is ample scope for enhancing the reach of housing finance by the CBs, particularly through pro-poor channels like loans under the priority sector lending (PSL) scheme. The discouraging trend of constant decline in PSL type housing loans (Figure VII) is definitely a matter of concern, as already noted, and this needs to be reversed through pro-active policy initiatives in favour of housing finance. Now, it is relevant to check whether the apprehension that PSL loans attract more NPAs has any truth, particularly with respect to PSL category housing loans. This aspect is analysed in the next part of this research paper.

VIII. Quality Concerns Regarding PSL Advances as Against Non-PSL Advances

There is a general belief that advances under priority sector lending (PSL) contribute disproportionately more to the NPAs of CBs and hence these need to be controlled and kept minimum. The above argument might be true in the earlier years i.e. till 2008 when the share of NPAs in the PSL credit as a percentage of the total NPAs had been steadily increasing from about 40 per cent in the early 2000s to as high as 50 percent by 2007 and 2008 while the share of PSL in the total credit of CBs were constantly on the decline from near about 40 percent to as low as 35 per cent during the corresponding period. (Figure VIII).

FIGURE VIII

Trend of the Share of Priority Sector Loans (PSL) in the Total Credit by CBs in India (in Percentages)

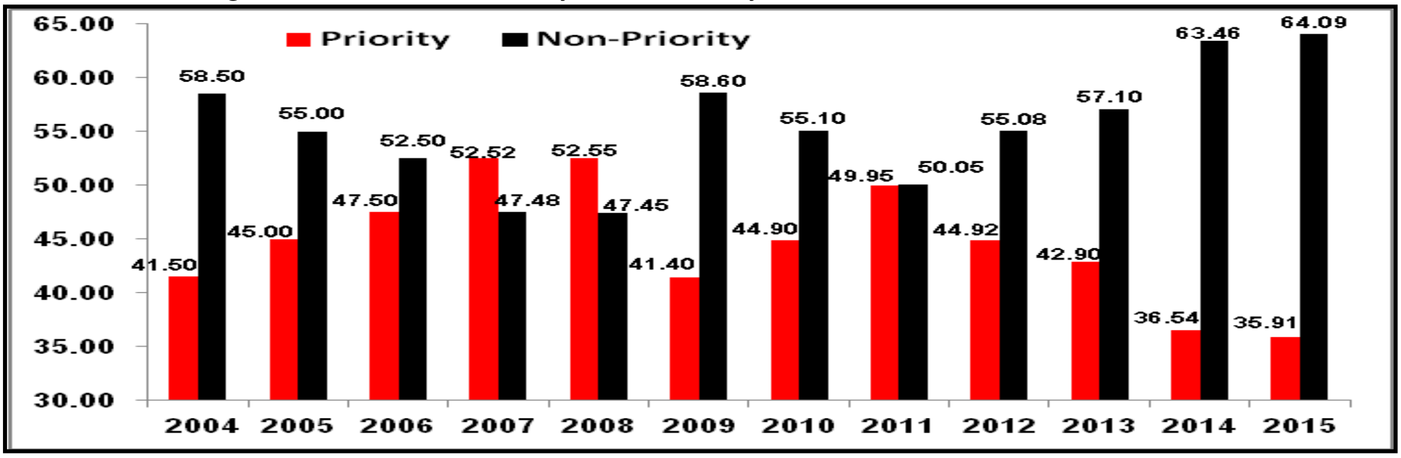


Source: RBI, *Statistical Tables relating to Banks in India*, 2012 (for 2004-2012) [23], and *Ibid*, 2015 (for 2013-2015) [22].

From Figure VIII, however, it is noted that there is a gradually decreasing trend in respect of PSL category loans over the years. Or, in other words there is a gradual increase in the non-priority sector loans over the years. Regarding the quality of PSL and non-PSL advances in terms of their NPA levels, the percentage share of NPAs in PSL advances has been constantly coming down while that of non-PSL advances has been on the rise. Hence, there is a high level of convergence between the asset-quality (NPA level) of PSL and non-PSL advances as is evident from the roughly equal share (percentage) of PSL advances in the total advances (credit) of banks and that of share of NPAs in PSL loans in the total NPAs of banks (Table III, Figures VIII & IX).

FIGURE IX

Percentage Share of NPAs in the Priority and Non-Priority Advances in the Total NPAs of CBs in India

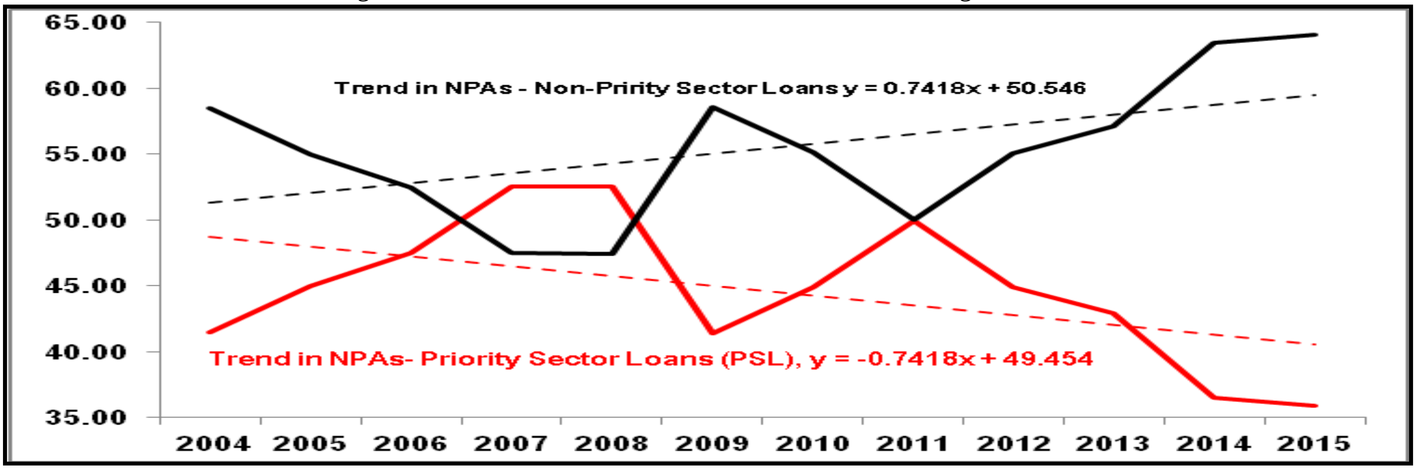


Source: RBI, *Statistical Tables relating to Banks in India*, 2012 (for 2004-2012) [23], and *Ibid*, 2015 (for 2013-2015) [22]

In short, it may be stated that asset quality of PSL advances, in general, cannot be considered as lower than or inferior to that of non-PSL advances. This particularly true in respect of the last year under study (2015) and Figure IX is self-explanatory in this regard. Moreover, the present trend is that of constantly increasing share of NPAs in non-PSL advances as against constantly decreasing share of NPAs in PSL advances and this trend is very prominent since 2011. If this trend continues in the future, probably the quality of PSL advances may become equal to (or even better than) that of non-PSL advances. Figure X clearly suggests this fact, as it depicts a gradual convergence in the relative share of PSL advances and that of NPAs in PSL advances.

FIGURE X

Trend of the Percentage Share of NPAs in PSL and Non-PSL Advances among the NPAs of CBs in India



Source: RBI, *Statistical Tables relating to Banks in India*, 2012 (for 2004-2012) [23], and *Ibid*, 2015 (for 2013-2015) [22]

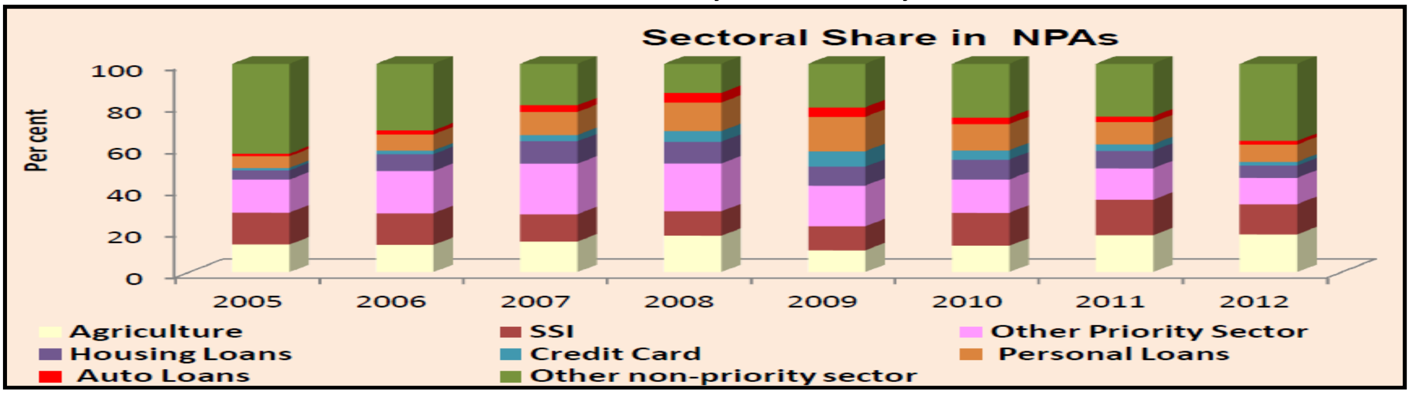
So far, the discussion has been on the quality of PSL advances vis-à-vis non-PSL advances. Now that the focus area of this paper being housing finance, let us consider the asset quality in respect of housing advances under priority sector loans (PSL-housing, in short). From the latest available disaggregated (sector-wise) data in respect of asset quality (NPAs) of PSL advances, it is noted that ever since 2007 the relative share of NPAs in PSL-housing advances is constantly on the decline unlike in the case of other PSL advances like agriculture, SSI etc. [RBI (2014) (a) Working Paper] [18].

From Figure XI, it is also noted that the relative share of NPAs of PSL advances is gradually on the decline whereas that in respect of non-PSL advances is on the rise. This trend is particularly visible since 2008. Besides, it is noted that the asset quality in respect of the specific case of PSL-housing advances is rather superior within the PSL group and is in no way lower than that of non-PSL advances in general. (Figure XI).

 ISSN: 2321-7782 (Online)

FIGURE XI

Trend of the Sectoral Share of NPAs in Priority and Non-Priority Sector of CBs in India



Source: RBI (2014), *Re-emerging Stress in the Asset Quality of Indian Banks: Macro-Financial Linkages*, Working Paper [18]. [Note: Disaggregated data on NPAs are available only upto Sept. 2012 from the RBI; not available from the year 2013 onwards]

IX. Quality of Non-PSL Advance – Housing Credit has the Least NPA Level Among all Retails Loans

Among the retail loan products extended by CBs under non-priority sector lending (Non-PSL) scheme comprising of 6 types (viz. housing loans, consumer durables, credit card receivables, personal loans, and auto loans) it is noted that housing credit has got the highest quality. Because, its share of NPAs (5.5 per cent) is quite lower than its own share in vis-à-vis its share in the total retail credit (7.1 per cent) unlike in the case of the whole retail credit segment for which the total credit is 15 per cent whereas the share of NPAs is at a higher level of 17.2 per cent. Apart from housing loans, only another type of retail credit (auto loans) has got an NPA share that is lower than the share of the corresponding credit and that too marginally lower; i.e.1.9 per cent share in NPAs for a share of 2.2 per cent in advances. In short, quality of housing loans is indisputably the best among retail loans. (Table IV).

TABLE IV

Non-PSL Advances – Sectoral Share in Total Advances (Gross) and NPAs (Gross) of CBs [in Percentage]

Financial	Housing Loans		Consumer Durables		Credit Card		Personal Loans		Auto Loans		Retail Loans (Total)	
Year	Credit	NPAs	Credit	NPAs	Credit	NPAs	Credit	NPAs	Credit	NPAs	Credit	NPAs
2005	11.9	04.4	00.3	00.6	00.7	01.2	07.6	05.6	03.1	01.2	23.7	13.0
2006	12.2	08.0	00.3	00.7	00.8	01.8	08.0	07.7	04.2	01.9	25.5	20.1
2007	11.9	10.7	00.4	00.7	01.0	03.0	08.2	11.1	04.4	03.2	25.8	28.7
2008	10.8	10.4	00.2	00.7	01.2	05.1	08.5	13.7	03.8	04.6	24.5	34.5
2009	09.4	09.0	00.2	00.7	01.1	07.5	07.6	16.5	03.0	04.5	21.3	38.2
2010	09.6	09.6	00.1	00.4	00.7	04.5	06.4	12.5	02.4	03.2	19.1	30.1
2011	09.0	08.4	00.1	00.4	00.5	03.1	06.2	10.6	02.5	02.7	18.3	25.3
2012	08.8	05.8	00.1	00.3	00.5	01.8	06.6	08.3	02.5	01.7	18.4	17.9
Sept. 2012*	09.0	04.9	00.1	00.2	00.5	01.2	06.6	07.6	02.8	01.6	18.9	15.5
Average	07.1	05.5	00.1	00.4	00.5	02.2	05.0	07.2	02.2	01.9	15.0	17.2

Source: Reserve Bank of India, Working Paper 03/2014, 2014 (a) [18].

[Note: Disaggregated data on NPAs are available only upto Sept. 2012 from the RBI; not available now for 2013 onwards].

Thus, it is noted that as in the case of PSL housing loans, the asset quality is relatively higher in respect of Non-PSL housing loans too. Further, the latest data as of FY 2015 reveal that quality of housing loans by Public Sector Banks (PSBs, i.e. the CBs owned by the Government) has improved or the NPA level has come down, except for 6 among the total 27 PSBs in India. [Sinha, S., 2015] [26]. The housing loan performance in respect of the six largest PSBs point to the above fact. (Table IV).

TABLE V

Housing Loan Performance of Six Largest PSBs in India [Amount in Rs. Crore]

Name of the Bank	Disbursement			Outstanding			Change in NPA Levels (Percentage)	
	FY 2014	FY 2015	Change (Percent)	FY 2014	FY 2015	Change (Percent)	FY 2014	FY 2015
State Bank of India	28517	29238	02.53	140358	159236	13.45	0.9	0.6
IDBI Bank	6294	7135	13.36	23434	26766	14.22	0.9	0.9
Bank of Baroda	5662	4923	-13.05	19588	22545	15.10	1.5	1.3
Punjab National Bank	5094	6681	31.15	17022	21544	26.57	1.6	1.4
Canara Bank	5737	6685	16.52	12823	16480	28.52	2.1	2.1
Bank of India	4433	5529	24.72	13081	16664	27.39	1.8	0.9

Source: Compiled (and computed additional data) from Sinha, S (2015), *The Hindu Business Line*, dt. 14 June. Print. [26]

From Table V, it may be noted that there has been rather commendable performance by the six PSBs which are very active in the housing finance front, as they have registered a double-digit growth rate and also improvement in asset quality. But, it is equally important to point out that PSBs (or, CBs in general) are lending primarily under Non-PSL scheme and not PSL scheme. In fact, it is reported that when the overall housing lawn has grown by 17.5 per cent in FY 2015, the growth rate in respect PSL housing segment in FY 2015 has been just 5.12 per cent – not even one-third of the former. Thus, to effectively address the 'Real Housing Problem' CBs have to focus on PSL housing credit more and the growth rate in PSL housing loans should grow at least by six times so that about 30 per cent (as against just 5.12 per cent in FY 201.

X. Summary of the Major Findings and Further Discussions

In view of the foregoing analysis, it is meaningful to summarize the major findings and observations of this study vis-à-vis the objectives set for the study. These are as follows:

(i) There is a huge housing shortage problem in India and this housing shortage of as high as 62.45 million housing units in the ongoing XI Plan (2012-2017) period. More importantly, as high as 57.33 million (i.e. 91.80 per cent of the total housing shortage) relates to the poor, disadvantaged and marginalized sections like LIG, EWS and BPL. (Figure I). In effect, the 'Real Housing Problem' in India is that of meeting the housing needs of the vast majority of shelter-less population; and the policy decisions should focus on creating additional 57.33 million (91.80 per cent) housing units for the benefit above disadvantaged category.

(ii) The vast majority of the shelter-less population that corresponds to the need for an additional for 57.33 million housing units (which accounts for as high as 91.80 per cent of the total housing shortage of 62.45 million units) is beyond the reach of the formal housing finance system in India. Only 9 per cent of the needy clients is covered by the formal housing finance system, the rest 91 per cent depends on either own sources (66 per cent) or informal sources (25 per cent). To address the housing needs of the majority of the shelter-less who are not covered by the formal housing finance system, there is an imperative for promotion of alternative approaches like housing microfinance and affordable housing, as well as giving added thrust to existing pro-poor housing schemes like the housing finance that can be extended under the Priority Sector Lending (PSL) scheme of the Government. (Now there is no sub-target under PSL for housing loans).

(iii) Though Commercial Banks (CBs) continue the largest intermediary group in housing finance ever since 2003 when they overtook the other intermediary group viz. housing finance companies (HFCs) which were in the leadership position till then, there has been a reversal of the trend since 2006 and the market share of HFCs is gradually going up and that of CBs coming down. Still the group of CBs occupies 63 per cent share as against the rest 37 by the HFCs as of 2015. Right from 2010 HFCs could register a year on year growth rate that is higher than the overall growth rate of the housing finance industry consistently throughout the period. CBs could register only growth rates lower than the overall growth rates throughout. (Figure IV). But, both these groups have been growing consistently irrespective of the rate of growth. (Table II, Figure II & Figure III).

(iv) Regarding the housing loan exposure by the CBs in India, housing loans is the only type of retail credit product that has registered consistent and steady growth throughout the last few years (Figure V). All other types of retail credit products have had ups and downs in their off-take over the years. Besides, the average growth rate in respect of housing loans (CAGR 11.5 per cent, for FY 2009 – FY 2015) has been greater than that of other retail loan products (CAGR 9.3 per cent, for FY 2009 – FY 2015). (Figure VI). The regular, steady and sustained nature housing loan exposures make them good for off-setting against slow credit growth in times of economic recession and diversifying the credit risk. So, it is largely recognized that housing finance is going to be the 'Key Driver' for the growth of banking industry in India. [15].

(v) Housing credit as a percentage of the total credit off-take by the CBs has also been at a somewhat constant level of about 9 per cent over the years as per the RBI data since 2008 (RBI, Dec. 2015) (b) [21]. Now, increasing the share of housing credit from the present level of 9 per cent to at least about 30 per cent is an imperative for the balanced and sustained growth of the banking sector and also for bridging the huge housing shortage in the country at least partly. The gap between the housing demand and housing supply is quite wide, because it is estimated that the housing demand of the low-income and mid-income segments more than three to four times the supply. (IBEF, Aug. 2015) [15].

(vi) It is noted that the share of total housing credit, i.e. inclusive of the housing credit under priority sector lending (PSL) scheme, in the total credit of CBs in India is slowly coming down. In respect of the PSL housing credit in the total housing credit, however, there is a very significant trend of steady and constant decline. The fast declining trend of PSL housing credit as a percentage of the total housing credit by the CBs is a matter of great concern.(Table III & Figure VII).

(vii) It is noted that over the years there is a gradually decreasing trend in respect of PSL advances and an increasing trend in respect of the Non-PSL advances. Regarding the quality of PSL and non-PSL advances in terms of their NPA levels, the percentage share of NPAs in PSL advances has been constantly coming down while that of non-PSL advances has been on the rise. Hence, there is a high level of convergence between the asset-quality (NPA level) of PSL and non-PSL advances as is evident from the roughly equal share (percentage) of PSL advances in the total advances (credit) of banks and that of share of NPAs in PSL loans in the total NPAs of banks (Table III, Figures VIII & IX). In short, in general, quality of PSL advances cannot be considered as lower than that of non-PSL advances.

(viii) It is noted that the asset quality in respect of the specific case of PSL-housing advances is rather superior within the PSL group and is in no way lower than that of non-PSL advances in general (Figure XI). Besides, it is noted that as in the case of PSL housing loans, the asset quality is relatively higher in respect of Non-PSL housing loans too. As of FY 2015, the quality of housing loans extended by the PSBs has improved except for six among the total 27 PSBs in India. [Sinha, S., 2015] [26]. The housing loan performance in respect of the six largest PSBs point to the above fact. (Table IV).

(ix) The answers to the three research questions set for this study are summarized as (1) PSL housing credit is becoming less significant year after year and there is a clearly declining trend, and hence a reversal of this trend is very much required; (2) At present the asset quality (in terms of the NPA level) in respect of PSL advances is comparable to that of Non-PSL advances, because there has been a convergence in the NPA levels between these two groups; and this is true in respect of PSL housing loans too (3) PSL advances, particularly PSL housing credit, definitely deserve better attention; and in fact pro-poor housing credit should be aggressively promoted so as to attain the national goal of Housing for All by 2022.

XI. Suggestions for Scaling up Housing Credit by the Banks

Retail credit portfolio of commercial banks (CBs), particularly the housing finance segment within it, needs to be promoted so as to ensure better availability of credit for housing and allied purposes. Housing credit, in particular, may be noted to be the one with the highest quality (lowest NPA level) among all the retail credit products of CBs. Encouraging the housing credit and other retail credit products has got the additional benefit of risk diversification, apart from boosting business in periods of recession.

Within the housing finance schemes of CBs, those under PSL category needs special thrust. Of late, as it is noted that there is no significant difference between the asset quality of PSL and Non-PSL advances, the housing credit under the PSL category needs to be aggressively promoted by the Government and the RBI. This is because of the fact that while the overall housing credit has been growing at double digits (17.5 per cent) over the years, the PSL housing credit has been growing only at single digits (5.2 per cent). From the perspective of the national priority of 'Housing for All by 2022' it is the PSL housing credit that should have grown much faster; because the 'Real Housing Problem' in India pertain to the poor and the marginalized groups and they represent as high as 91.8 per cent of the total housing shortage in India.

Microfinance initiatives in housing finance (housing microfinance, or HMF) needs to be promoted by the Government just like the housing credit under the PSL category. This is because, it is often noted that NPAs under micro finance advances are generally lower than those under other schemes, including PSL category loans. Affordable housing and such other financial products for the lower income segments deserve special attention and encouragement. NHB's housing microfinance scheme needs to be scaled up and extended to other financial intermediaries like CBs, Co-operative sector institutions etc. too.

XII. Scope for Further Exploration of the Present Study

The present study may be explored further into allied areas so as to address research questions, like, (i) What is the impact of housing loan interest rates on housing finance off-take of the banks in India? (ii) Is there any significant difference in the growth rates between housing credit and other credit products of banks in India? Whether housing credit can significantly reduce the risks associated with banking credit by providing a 'cushioning effect' (risk mitigation)? What should ideally be the retail credit policy of the banks in India, particularly the policy towards housing credit in view of the other questions mentioned above?

References

1. Manoj P. K (2003), "Retail Credit – Strategies for Success in the Emerging Scenario", IBA Bulletin, Vol. XXV, No.11, pp.18-21.
2. Lele, Abhijit (2015), "NHB to launch over 80 new Housing Finance Companies", *Business Standard*, 14 Dec. 2015, Kochi Edition. Print.
3. Manoj P. K (2004), "Dynamics of Housing Finance in India", *Bank Quest*, Vol.75, No.3, Sept., pp.19-25.
4. IFMR (2007), *Housing Microfinance: Designing a Product for the Rural Poor*, Working Paper Series No. 19, Centre for Microfinance, Chennai, Nov.
5. Manoj P. K (2008), "Learning from Cross-country Experiences in Housing Finance: a Microfinance Approach", *Journal of Global Economy*, Vol. 4, No.3, July-Sept.
6. Pattabhiraman, S., "Bank on Operational Efficiency", *The Hindu Business Line*, Business Daily in English, 14 Nov. 2008. Print.
7. Manoj P. K (Ed.) (2009), "Emerging Technologies and Financing Models for Affordable Housing in India", Directorate of Public Relations and Publications, Cochin University of Science and Technology (CUSAT), Kochi, Kerala, April.
8. ICRA (2010), *Housing Finance Companies and the Indian mortgage market*, ICRA Rating feature, ICRA, Feb..
9. Karnad, Renu, S.(2010), "Base Rate and Impact on HFCs", Presentation, 30th CEOs Meeting of HFCs, 07 Sept.(Available online at NHB's Official website, www.nhb.org.in).

10. Manoj P K (2010), "Benchmarking Housing Finance Companies in India: Strategies for Enhanced Operational Efficiency and Competitiveness", *European Journal of Economics, Finance and Administrative Sciences* (EJEFAS), Issue 21, 2010, pp.21-34.
11. Manoj P K, (2010), "Determinants of Successful Financial Performance of Housing Finance Companies in India and Strategies for Competitiveness: a Multivariate Discriminant Analysis", *Middle Eastern Finance and Economics* (MEFE), Issue 7, Sept., pp. 199-210.
12. Manoj P K (2010), "Financial Soundness Housing Finance Companies in India and Determinants of Profitability: A 'CAMEL' Approach along with ROE Decomposition Analysis" *International Journal of Business Policy & Economics* (IJBPE), Vol.3, No.2, July-Dec. pp. 121-137.
13. Manoj P K (2011), "Determinants of Profitability of Housing Finance Companies in India and Strategies for Competitiveness: a Multiple Partial Correlation Approach" *International Journal of Business Intelligence and Management* (IJBIM), Vol. 3, No.2. July-Dec., pp. 121-137.
14. Manoj P K (2016), "National Goal of 'Housing for All by 2022' and the Housing Finance Companies (HFCs) in India: Strategies for the Sustained Growth of HFCs", *Asian Academic Research Journal of Multidisciplinary*, Vol. 3, Issue 1, Jan. 2016, pp.102-114. (www.asianacademicresearch.org).
15. India Brand Equity Foundation (IBEF) (2015), *Banking*, Research Report, Aug. (Available online at the Official Website of IBEF, www.ibef.org).
16. IFMR (2015), *Affordable Housing Finance Sector – Overview*, Industry Analysis Report, IFMR Investments, Chennai.
17. Reserve Bank of India, *Trend and Progress of Banking in India* – for years 2004 to 2013, Govt. of India, Mumbai. (Available online at www.rbi.org.in)
18. Reserve Bank of India (2014) (a), *Re-emerging Stress in the Asset Quality of Indian Banks: Macro-Financial Linkages*, RBI Working Paper Series (WPS), Dept. of Economic and Policy Research (DEPR), WPS (DEPR) 03/2014, Feb. (Available online at www.rbi.org.in)
19. Reserve Bank of India (2014) (b), *Financial Stability Report (including Trend and Progress of Housing in India 2013-14)*, Govt. of India, Mumbai, Dec. (Available online at www.rbi.org.in)
20. Reserve Bank of India (2015) (a), *Financial Stability Report*, Govt. of India, Mumbai, July. (Available online at www.rbi.org.in)
21. Reserve Bank of India (2015) (b), *Trend and Progress of Banking in India*, Govt. of India, Mumbai, Dec. (Available online at www.rbi.org.in)
22. Reserve Bank of India (2015) (c), *Statistical Tables relating to Banks in India*, Govt. of India, Mumbai, Dec. (Available online at www.rbi.org.in)
23. Reserve Bank of India (2012), *Statistical Tables relating to Banks in India*, Statistical Data for 2004 to 2012 (Consolidated), Govt. of India, Mumbai. (Available online at www.rbi.org.in)
24. ICRA (2015), *Indian Mortgage Finance Market - Performance of HFCs and Industry Outlook*, ICRA Research Services, New Delhi, India – 110 001.
25. National Housing Bank (NHB), *Trend and Progress of Housing in India* – for the financial years 2004 to 2014, New Delhi, India.
26. Sinha, Sishir (2015), "Public Sector Banks advised to lend more for housing", *The Hindu Business Line*, Business Daily in English, 14 June. Print.
27. Govt. of India, *National Urban Housing and Habitat Policy 2007* (NUHHP), Ministry of Housing and Urban Poverty Alleviation, New Delhi.
28. IFMR (2013), *Finclusion*, Investments News Letter dt. 13 Nov. 2013. (Available at www.ifmr.co.in)
29. Govt. of India, *Report of the Working Group on Rural Housing for the 12th Five Year Plan (2012-2017)*, Ministry of Rural Development, New Delhi.
30. Govt. of India, *Report of the Technical Group on Urban Housing for the 12th Five Year Plan (2012-2017)*, Ministry of Rural Development, New Delhi.
31. Official website of the National Housing Bank (NHB), Govt. of India, New Delhi; www.nhb.org.in
32. Official website of the Reserve Bank of India (RBI), Govt. of India, Mumbai; www.rbi.org.in
33. Official website of Housing Finance International, www.housingfinance.org.in
34. Official website of M/s. Moneycontrol, www.moneycontrol.com

AUTHOR(S) PROFILE

Dr. Manoj P K, received his M.B.A and M.Tech degrees from Cochin University of Science and Technology (CUSAT), Kerala. He has additional P.G degrees of M.Com and M.A (Economics) from IGNOU. He qualified his CAIIB Examination from IIBF, Mumbai in First Class with Distinction. He has Ph.D degree in Management from YCMOU, Maharashtra; Ph.D degree in Economics from M.G University, Kerala; and D.Litt degree in Economics from North Orissa University, Odisha. Dr. Manoj P K has passed UGC-NET in Management, Commerce, Economics and HRM disciplines and GATE in Production and Industrial Engineering. He has about 8 years' experience as Bank Officer (Canara Bank Home Finance) and Bank Manager (Oriental Bank of Commerce, Regional Office, Mumbai). He is in CUSAT service as a Faculty Member (Finance / Econometrics) since 2004. He has got more than 100 research publications (of which over 30 are in SCI Journals) and has more than 200 Citations by others. At present, his RG-Score is about 21 with Impact points of nearly 30. He has completed three Major Research Projects in Management, two sponsored by the ICSSR and one by the UGC; all these being in the area of housing finance / residential real estate. He is a recipient of many honours and awards, including the K.N Raj National Research Fellowship for Teachers in 2013.