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## **HOUSING FINANCE SCHEMES IN DISTRICT UDHHAM SINGH NAGAR UTTARAKHAND**

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# Housing Finance Schemes in District Udham Singh Nagar Uttarakhand

Amit Kumar Singh<sup>1</sup> Dr. Chandra Prakash<sup>2</sup>

<sup>1</sup>Assistant Professor Department of Deen Dayal Upadhyay Kaushal Kendra Sardar Bhagat Singh Degree College  
Rudrapur U.S. Nagar Uttarakhand

<sup>2</sup>Associate Professor in Department of Commerce, S. B.S. Govt. P.G. College, Rudrapur, Uttarakhand

**Abstract –** *The physical characteristic of the present day houses in the country reflects various phases of the evolutionary process in the socio-cultural growth of the country. There is a growing demand for recognition of housing as basic human right. Providing adequate housing is the responsibility of the State. In a large country like India, natural diversities, geographical and climatic extremes and socio-economic disparities have enhanced the magnitude of the problem of housing. The rural urban divide is a glaring example of the disparity. This paper has designed to analyze housing finance schemes in district Udham Singh Nagar Uttarakhand.*

**Keyword:** Housing, Uttarakhand, Schemes, Finance

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## 1. INTRODUCTION

House is a basic necessity. Everyone, rich or poor, whether in rural areas or urban areas, needs a house to protect his life and property and also to promote his well-being. Houses do a great deal more than housing the people.

They channel human relationship and are an integral part of the society. A house is not an isolated structure but forms part of the neighborhood and the total community.

The popular definition of housing finance is as:

“Housing finance brings together complex and multi-sector issues that are driven by constantly changing local features, such as a country’s legal environment or culture, economic makeup, regulatory environment, or political system” (Loïc Chiquier and Michael Lea)

“The purpose of a housing finance system is to provide the funds which home-buyers need to purchase their homes. This is a simple objective, and the number of ways in which it can be achieved is limited. Notwithstanding this basic simplicity, in a number of countries, largely as a result of government action, very complicated housing finance systems have been developed. However, the essential feature of any system, that is, the ability to channel the funds of investors to those purchasing their homes, must remain.” (Mark Boleat) “Put simply, housing finance is what allows for the production and consumption of

housing. It refers to the money we use to build and maintain the nation’s housing stock. But it also refers to the money we need to pay for it, in the form of rents, mortgage loans and repayments.” (Peter King)

“There is recognition of other relevant forms of housing finance [apart from residential mortgage finance] such as developer finance, rental finance, or microfinance applied to housing. Developer finance is often in the form of unregulated advance payments by buyers, and developers sometimes provide long-term finance to buyers through installments sales when mortgages markets are not accessible. Microfinance for housing is typically used for home improvement or progressive housing purposes. Loans are typically granted without pledging properties. Although the overall impact of microfinance in housing remains limited, this activity can represent an important source of funding for those in the informal sector.”

“(Loïc Chiquier and Michael Lea) Housing does not mean the construction of a shelter only, a shelter to protect way from the inclemency’s of weather. Housing in its wide sense comprehends a shelter designed to fit in with his social and cultural wants and located in proper environment supported by physical and social infrastructure.

## 2. REVIEW OF LITERATURES:

### District Profile (2001 census based):

The total population of Udhham Singh Nagar district was 832600, of which more than two-third of the population of the district lives in rural areas, which is lower than the State share of rural population.

Scheduled caste and scheduled tribes constitutes respectively 14.3 per cent and 13.1 per cent of the population of the district. One-third of the population belongs to minority community. 72 per cent of the villages of the district were having at least a primary school, which is higher than the figure for the State. Udhham Singh Nagar is industrially developing, but at the same time, it is lacking industrial training schools, as the district has just 2 such institutions.

District has better health and drinking water facilities than the State aggregate. More than one -third of the villages of the district of Udhham Singh Nagar have a PHC within a range of 5 km. More or less similar is the situation with availability of tap water, tube wells and hand pump. Work force participation rate was one-third, which is significantly lower than the State average. The proportion of casual labour is comparatively lower in Udhham Singh Nagar than the State average. One -third of the rural population is agricultural labour and a quarter of the rural population is also engaged in other works.

### Findings: Socio-economic Conditions:

In survey findings, Udhham Singh Nagar lagged behind the all India average in two out of eight indicators and also lagged behind the all India level in terms of one more health related indicator. Table 1 below shows the gap between all India and district figures Vis -à-Vis ten indicators and prioritizes the development interventions vis-à-vis eight indicators. The district figure is based on the survey findings (2008) and all India figures are of 2004-05 and 2005-06. The distance from the all India figures may be higher, as all India data are a little old.

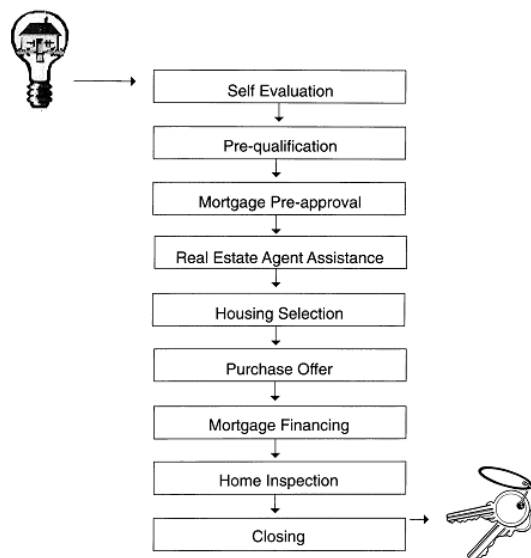
Table 1: Development Gaps and Priorities for the Multi-sector Plan

Sl. No.	Indicators	Udhham Singh Nagar 2008	All India 2005	Development Gaps Between All India and District	Development Priority of the District
		(1)	(2)	(3=(1-2))	(4)
1	Rate of literacy	71.34	67.3	4.04	4
2	Rate of female literacy	67.77	57.1	10.67	6
3	Work participation rate	40.76	38.0	2.76	3
4	Female work participation rate	32.53	21.5	11.03	7
5	Percentage of households with pucca walls	41.14	59.4	-18.26	2
6	Percentage of households with safe drinking water	92.25	87.9	4.35	5
7	Percentage of households with electricity	37.36	67.9	-30.54	1
8	Percentage of households with water closet latrines	52.95	39.2	13.75	8
9	Percentage of fully vaccinated children	71.40	43.5	27.9	-
10	Percentage of child delivery in a health facility	60.00	38.7	21.3	-

Note: (1) Survey data of the district (Col. 1) pertains to the rural area only, but all India data (Col. 2 ) pertains to total.

(2) Data in Col 2 from Sl. No. 5 to 8 pertain to year 2005-06 from NFHS-3 and the rest of the data in Col. 2 pertain to the year 2004-05 from NSSO.

## 3. PROCESS OF PURCHASE A HOUSE



### Available Banks in Udhham Singh Nagar District:-

There Are Many Services Available Like Online Internet Banking, Mobile Banking, Money Deposit/Withdraw, Loan Facility And Other Basic Facilities Are Provided By Private And Nationalized Banks In Udhham Singh Nagar District, And Moreover There Are So Many ATMs Available In Udhham Singh Nagar District. Here We Will Provide The Details Like IFSC Code, MICR Code, Branch Code, Contact Details, and Office Time Etc. Of Every Bank and Its Branches. We Provide The Correct And The Most Updated Information About Every Bank And Its Branch.

### Available Banks in Udhham Singh Nagar District:-

1. ALLAHABAD BANK
2. AXIS BANK
3. BANK OF BARODA
4. HOUSING DEVELOPMENT FINANCE CORPORATION BANK
5. NAINITAL BANK
6. ORIENTAL BANK OF COMMERCE
7. PUNJAB NATIONAL BANK
8. STATE BANK OF INDIA
9. STATE BANK OF PATIALA

10. UNION BANK OF INDIA

#### 4. HOUSING FINANCE SCHEMES:

##### Home Purchase Loans

There are the basic home loans for the purchase of a new home. If you want to buy a flat in some society or some already built house, banks and HFCs sanction you home purchase loans for this process.

##### Home Improvement Loans

These loans are given for implementing repair works and renovations in a home that has already been purchased by you. It may be requested for external works like structural repairs, waterproofing or internal works like tiling and flooring, plumbing, electrical work, painting, etc.

##### Home Construction Loans

These loans are available for the construction of a new home. The documents required by the banks or HFCs for granting you a home construction loans are slightly different from the home purchase loans. Depending upon the fact that when you have brought the land, the lending party would or would not include the land cost as a component, to value the total cost of the property.

##### Home Extension Loans

Home Extension Loans are given for expanding or extending an existing home. For example addition of an extra room, etc. For this kind of loan, you need to have requisite approvals from the relevant municipal corporation.

##### Land Purchase Loans

Land Purchase Loans are available for purchase of land for both home construction or investment purposes. So, you can be granted this loan even if you are not planning to construct any building on it in the near future.

##### Bridge Loans

Bridge Loans are designed for people who wish to sell the existing home and purchase another. The bridge loan helps finance the new home, until a buyer is found for the old home.

##### Balance Transfer

Balance Transfer loans help you to pay off an existing home loan and avail the option of a loan with a lower rate of interest. You can transfer the balance of the existing home loan to either the same HFC or any another HFC.

##### Refinance Loans

These loans help you pay off the debt you have incurred from private sources such as relatives and friends, for the purchase of your present home.

##### Stamp Duty Loans

These loans are sanctioned to pay the stamp duty amount that needs to be paid on the purchase of property.

##### NRI Home Loans

This is a special home loan scheme for the Non-Resident Indians (NRI) who wishes to build or buy a home or land property in India. They are offered attractive housing finance plans with suitable reimbursement options by many HFCs in the country.

#### CONCLUSION

There are a large number of agencies/institutions providing direct finance to individuals for house construction, there was no organised housing finance system. The vacuum in the institutional finance for housing and other construction activities was felt due to inadequate flow of funds for such activities from existing institutions and absence of specialised credit institutions to provide funds for the purpose. The need to have a specialised system stemmed from the fact that the housing sector was not only inadequately served in terms of finance for individual loans but also in terms of buildable or serviced land, building materials, effective low-cost technology and other related know-hows. The National Housing Bank was established to create such a system. The Bank has been mandated to establish a network of housing finance outlets across the vast span of the nation to serve different income and social groups in different regions. The primary responsibility, of course, is to develop a healthy and self-sustaining housing finance system in the country.

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