

A

SYNOPSIS ON

**“A STUDY OF REVERSE MORTGAGE
SCHEME IN INDIA”**

(CASE STUDY OF ICICI BANK)

UNDER SUPERVISION OF:

.....

SUBMITTED BY

NAME :

ENROLLMENT NO :

Submitted in partial fulfillment of the requirements for qualifying

MASTER OF BUSINESS ADMINISTRATION

“A STUDY OF REVERSE MORTGAGE SCHEME IN INDIA”

(CASE STUDY OF ICICI BANK)

Submitted By:

Enrollment No. :
Name :
Area of Specialization : MBA (Finance)
Title of the Project : “A study of Reverse Mortgage Scheme in
India (Case study of ICICI Bank)
Name of the Study Centre :
Study Centre Code :

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TABLE OF CONTENTS

S. NO.	CONTENTS	PAGE NO.
1.	Title of the project.....	4
2.	Company Profile.....	5
3.	Statement of the Problem	6
4.	Objectives and scope of the Study.....	7
5.	Research Methodology	8
6.	Questionnaire	11
7.	Chapterisation	14
8.	Guide Profile	15
9.	References	16

1. TITLE OF THE PROJECT

“A STUDY OF REVERSE MORTGAGE SCHEME IN INDIA”

(CASE STUDY OF ICICI BANK)



2. COMPANY PROFILE

ICICI Bank is India's second-largest bank with total assets of Rs. 4,062.34 billion (US\$ 91 billion) at March 31, 2011 and profit after tax Rs. 51.51 billion (US\$ 1,155 million) for the year ended March 31, 2011. The Bank has a network of 2,553 branches and 7,440 ATMs in India, and has a presence in 19 countries, including India. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, and Bahrain etc.

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3. STATEMENT OF THE PROBLEM

This study will help in to understand the Reverse Mortgage Scheme in India” A reverse mortgage is a particular kind of home equity loan that allows the owner to cash in some of the equity in her home. To be eligible for a reverse mortgage, a borrower must be 62 years of age or older, own the home outright and have no other liens against the home. The borrower does not have to satisfy any credit or income requirements. They can receive the proceeds in one of the following ways: a lump sum at the beginning, monthly payments until a fixed term or a life-long annuity, by establishing a credit-line with or without accrual of interest on the credit balance, or a combination of the above. The study finds the status of reverse mortgage in India.

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4.OBJECTIVES OF THE STUDY

The objective decides where we want to go, what we want to achieve and what is our goal or destination. The objective of “A STUDY OF REVERSE MORTGAGE IN INDIA” is to -

1. Analyze the future prospects of this lending scheme in India.
2. Find out the Risks associated with it in current scenario (Recovery after global economic meltdown).
3. To find out the welfare gain to senior citizens from Reverse Mortgage Scheme.
4. To study of other available banks Reverse Mortgage Scheme.
5. To study the sources of indian data relevant to Reverse Mortgage:

5. RESEARCH METHODOLOGY

Research methodology in a way is a written game plan for conducting research. Research methodology has many dimensions. It includes not only the research methods but also considers the logic behind the methods used in the context of the study and complains why only a particular method of technique has been used. The basic task of research is to generate accurate information for use in decision making. Research can be defined as the systematic and objective process of gathering, recording and analyzing data for aid in making business decisions.

As the project involves analyzing of financial structure, the research is exploratory in nature, covering financial parameters and come of the important ratios to carry out research.

DATA COLLECTION METHOD:

The data will be collected using both by primary data collection methods as well as secondary sources.

- (i) **PRIMARY DATA-** Most of the information will be gathered through primary sources. The methods that will be used to collect primary data are books, research, newspapers, wave sites etc.

Books: -

- Reverse Mortgage Essentials by Steve Lowsons
- Reverse Mortgage and Linked Securities by Vishal Bhuyan
- Modern Banking Theory & Practice by D. Muralidharan

News Papers: -

- Business Standard, Lucknow and Meerut Edition
- Economic Times, Meerut Edition

Magazines: -

- India Insurance Report Series

- Industrial Economics Volume 40

Web Sites: -

- www.allahabadbank.com
- www.statebankofindia.com
- www.pnb.co.in
- www.lic.co.in

(ii) **SECONDARY DATA** – Interviews, questioners, fill ups, different nationalized banks, borrowers, financial consultants etc. Secondary data of this project on Reverse Mortgage will be collected from -

- Interviews from different categories of target group.
- Questionnaires will be arranged to get the data.
- Fill ups
- Different nationalized banks
- Borrowers
- Financial consultants

TIME FRAME OF THE DATA COLLECTION:

2 Months

METHOD OF SAMPLING:

The technique used for conducting the study was Convenience Sampling Technique as sample of respondents was chosen according to convenience.

STATISTICAL TOOLS:

The tools used in this study were MS-EXCEL, MS-WORD. MS-EXCEL was used to prepare pie- charts and graphs. MS-WORD was used to prepare or write the whole project report.

REPORT WRITING AND PRESENTATION

Report Encompasses – Charts, diagrams

METHOD YOU WILL USE TO CLASSIFY DATA:

Data Analysis & Interpretation – Classification & tabulation transforms the raw data collected through questionnaire in to useful information by organizing and compiling the bits of data contained in each questionnaire i.e., observation and responses are converted in to understandable and orderly statistics are used to organize and analyze the data.

- ◆ Simple tabulation of data using tally marks.
- ◆ Calculating the percentage of the responses.
- ◆ Formula used = (name of responses / total responses) * 100

NUMBER OF RESPONDENTS

Total samples of 50-75 respondents were contacted who responded to the questionnaires.

AREA OF STUDY

Reverse Mortgage in India.

LOCATION OF STUDY

Delhi

6. QUESTIONNAIRE

Dear Respondents:

I am a student doing MBA. I am underlying a project named “**A STUDY OF REVERSE MORTGAGE SCHEME IN INDIA (CASE STUDY OF ICICI BANK)**”. So by filling this questionnaire please help me in completing my research project.

Name :

Age :

Address :

Gender :

Contact No. :

Q1. Is your home your primary residence?

Yes No

Q2. Are all owner and co-owners age 62 or older?

Yes No

Q3. Have you considered all financial options before pursuing a Reverse?

Yes No

Q4. Have you consulted with a Loan originator to determine how much you would qualify a reverse mortgage loan program?

Yes

No

Q5. Will u consult with a certified financial planner to assess what impact a reverse mortgage could have on any other government benefit you are currently receiving such as social security?

Yes

No

Q6. Did you speak with a tax advisor to determine if there are any tax consequences to assuming a reverse mortgage?

Yes

No

Q7. Have you discussed the advantages and disadvantages with your heirs?

Yes

No

Q8. Have you received counseling from a HUT-Approved Home Equity Conversion Mortgage (HECM) Counselor?

Yes

No

Q9. Did you consider any options other than reverse mortgages good for older peoples?

Yes

No

Q10. Did you seek independent legal advice about the loan conditions/contract?

Yes

No

Q11. Do you think that reverse mortgage is very expensive way of Loan option?

Yes

No

Q12. From where did you come to know about Reverse Mortgage?[[

Electronic Media

Print Media

Agents

Others

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7. CHAPTERISATION

1. Introduction
2. Objective and scope of study
3. Methodology (Details of methodology used in studying and collecting the data and issue will be described)
4. Descriptive work (Descriptive work on the topic, this chapter will include analysis and interpretation of data tabulation and categorization)
5. Study report (Study report of other researcher will be observed and analyzed)
6. Conclusion
7. Findings
8. Limitations
9. Recommendation
10. Bibliography
11. Appendix-1 (Questionnaire prepared for conducting study will be attached and other papers which have not been mentioned above will be included).

8. PROFILE OF PROJECT GUIDE

Name :

Age :

Educational Qualification :

Professional Experience :

Organization :

Current Designation :

Brief Profile
(Maximum 200 Characters) :

Address :

House No. :

Street :

City :

State :

Country :

Phone Number (Office) :

Phone Number (Residence) :

Mobile Number (10 digits) :

Email :

9. REFERENCES

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2. Kelly. Tom (2006), "Reverse Mortgage Formula".
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10. The Aged in India – A Socio-Economic Profile. National Sample Survey Organisation,
11. Department of Statistics, Ministry of Planning and Programme Implementation, Government of India, November 1998.
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13. Thomas P. Boehm and Michael C. Ehrhardt. Reverse Mortgages and Interest Rate Risk.
14. Warren Boroson. The Reverse Mortgage advantage – The tax Free House-Rich Way to Retire Healthy.
15. Staff Reporter. State Cooperative Bank to launch monthly income scheme for the aged. The Hindu. Saturday, Mar 24, 2007

Books:

Business Standard - Lucknow and Meerut Edition

Economic Times - Meerut Edition

Outlook Money - April 2008 Edition

Pratiyogita Darpan - June 2008 Edition

India Insurance Report Series

Industrial Economics Volume 40

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- www.bankbazaar.com
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