

## **A Descriptive Analysis Of Term Loan Services Offered By Nationalized Banks In Navi Mumbai**

**Ms. Jinal Khetia, Dr. Snehal Patil**  
*SIES (Nerul) College of Arts,  
Science & Commerce (Autonomous)*

### **Abstract**

Term loans play a crucial role in improving the standard of living by enabling individuals to purchase homes, vehicles, and pursue higher education. In rapidly developing urban regions such as Navi Mumbai, demand for personal loans has increased significantly due to population growth, real estate expansion, and rising educational aspirations. This study presents a descriptive analysis of term loan services offered by selected nationalized banks operating in Navi Mumbai—namely State Bank of India, Bank of Baroda, Union Bank of India, Indian Bank, and Bank of India.

The study is entirely based on secondary data collected from official bank websites and government publications. It focuses exclusively on housing loans, vehicle loans, and education loans. The findings reveal that while the basic structure of personal loans remains similar across banks, differences exist in loan variety, customer focus, and service accessibility.

**Keywords:** Personal Loans, Home Loans, Vehicle Loans, Education Loans, Nationalized Banks, Navi Mumbai

### **Introduction**

Personal term loans are an essential component of modern retail banking, as they enable individuals to meet long-term personal and family needs such as home ownership, vehicle purchase, and higher education. These loans are typically repaid in fixed instalments over an extended period and contribute significantly to household asset creation, financial stability, and social mobility.

In India, nationalized banks occupy a central position in the personal loan market. Owing to government ownership, strong regulatory oversight, and a wide branch network, nationalized banks are widely perceived as safe, reliable, and affordable sources of long-term finance. These banks play a crucial role in advancing financial inclusion by offering standardized loan products with longer repayment tenures and transparent interest rate mechanisms. Their emphasis on social and developmental objectives distinguish them from private sector banks, particularly in areas such as housing and education finance.

Urban centres such as Navi Mumbai have experienced rapid economic and demographic growth over the past two decades. The expansion of residential housing projects, improvement in transport infrastructure, growth of salaried employment, and rising aspirations for higher education have collectively increased the demand for personal term loans. Housing loans, in particular, have become a primary driver of retail credit growth in the region, followed by vehicle loans for personal mobility and education loans for skill development.

Nationalized banks operating in Navi Mumbai such as State Bank of India, Bank of Baroda, Union Bank of India, Indian Bank, and Bank of India offer a wide range of personal loan products tailored to individual borrowers. While the basic structure of these loans remains largely uniform due to regulatory guidelines, variations exist in terms of product coverage, customer focus, and service delivery mechanisms.

In this context, a descriptive and comparative analysis of personal term loan services offered by nationalized banks in Navi Mumbai becomes relevant. Such a study not only enhances understanding of retail banking practices at the regional level but also provides useful insights for borrowers, policymakers, and academic researchers.

#### Personal Term Loan Services Offered by Nationalized Banks

Nationalized banks in Navi Mumbai provide the following major categories of personal term loans:

- **Housing Loans** – for purchase, construction, or renovation of residential property.
- **Vehicle Loans** – for purchase of two-wheelers and four-wheelers.
- **Education Loans** – for higher studies in India and abroad.

These loans are designed for salaried individuals, professionals, and self-employed persons.

#### Review Of Literature

Reserve Bank of India (RBI) – Report on Trend and Progress of Banking in India The RBI highlights the growing importance of retail lending, particularly housing and education loans, in strengthening financial inclusion and household asset creation. The report notes that public sector banks continue to play a vital role in providing long-term personal loans due to their wide branch network and regulated interest rate structures. It also emphasizes increased demand for home loans in urban and semi-urban regions.

**Kaur and Gupta (2019):** The study examines personal loan services offered by public and private sector banks in India and finds that nationalized banks are preferred for housing loans due to lower interest rates and longer repayment tenures. The authors observe that while product features are largely similar, differences arise in processing efficiency and customer outreach. The study concludes that public sector banks remain significant players in personal finance.

**Sharma (2020):** Sharma analysed retail banking trends in metropolitan cities and observed that housing loans constitute the largest share of personal term loans. The study indicates that vehicle loans have grown steadily due to urban mobility needs, while education loans remain policy-driven products. The author emphasizes the need for region-specific studies to understand local credit patterns.

**Patel and Mehta (2021):** This study focuses on customer awareness of personal loan products offered by nationalized banks. The findings reveal that borrowers associate public sector banks with trust, safety, and affordability, especially for long-term loans such as housing and education loans. However, the study also points out limited differentiation among banks in terms of product design.

**Singh and Verma (2022):** Singh and Verma conducted a comparative analysis of housing loan schemes offered by public sector banks and found a high degree of uniformity in loan tenure, eligibility conditions, and repayment structure. The study suggests that competitive advantage in personal lending is increasingly driven by service delivery and accessibility rather than pricing alone.

**Kumar (2023):** Kumar's research on education loan financing highlights the role of nationalized banks in supporting higher education under government-backed frameworks. The study notes that despite relatively lower volumes compared to housing loans, education loans have significant social and economic impact. The author recommends simplifying procedures to improve student access to finance.

### **Scope Of The Study**

The present study is confined to the analysis of personal term loan products offered by nationalized banks, with specific emphasis on housing loans, vehicle loans, and education loans. The geographical scope of the study is limited to Navi Mumbai, covering major residential and commercial nodes such as Vashi, Nerul, Belapur, Airoli, Ghansoli, and Kharghar, where nationalized banks maintain an active branch presence. The study focuses on selected nationalized banks operating in this region, namely State Bank of India, Bank of Baroda, Union Bank of India, Indian Bank, and Bank of India.

The analysis is based exclusively on secondary data collected from official bank websites, government and regulatory publications, and other publicly available bank disclosures. The study adopts a descriptive and comparative research approach to examine the nature and features of personal term loan services, without assessing customer satisfaction levels or the financial performance of the banks.

### **Limitations Of The Study**

1. The study is based only on secondary data, and therefore reflects information available in public domain sources at the time of analysis.
2. Customer perceptions, satisfaction levels, and actual borrowing experiences are not included, as no primary data was collected.
3. The study does not analyse interest rate variations, loan sanction volumes, or default rates, as such branch-level data is not publicly available.
4. The findings are limited selected banks of Navi Mumbai and may not be directly generalizable to other cities or rural areas.

### **Objectives Of The Study**

1. To study the nature and types of personal term loan services offered by nationalized banks in Navi Mumbai
2. To analyze housing loan, vehicle loan and education loan services offered by selected nationalized banks.
3. To compare personal term loan offerings across nationalized banks using descriptive analysis.

### **Hypotheses Of The Study**

Since the study is descriptive in nature and based on secondary data, the following hypotheses are framed to support comparative analysis:

1) **Null Hypothesis (H<sub>0</sub>):** The range and classification of personal term loan services offered by nationalized banks in Navi Mumbai do not differ in any meaningful manner.

**Alternative Hypothesis (H<sub>1</sub>):** The range and classification of personal term loan services offered by nationalized banks in Navi Mumbai exhibit meaningful variation.

2) **Null Hypothesis (H<sub>0</sub>):** There is no observable difference in the core features of housing, vehicle, and education loan services offered by selected nationalized banks.

**Alternative Hypothesis (H<sub>1</sub>):** There are observable differences in the core features of housing, vehicle, and education loan services offered by selected nationalized banks

3) **Null Hypothesis (H<sub>0</sub>):** Personal term loan offerings across nationalized banks in Navi Mumbai are broadly comparable and exhibit no notable differentiation.

**Alternative Hypothesis (H<sub>1</sub>):** Personal term loan offerings across nationalized banks in Navi Mumbai exhibit notable differentiation when examined descriptively

The hypotheses are framed to support structured descriptive comparison and are not intended for statistical significance testing.

### Research Methodology

Particulars	Description
Research Design	Descriptive
Type of Data	Secondary data
Sources of Data	Official bank websites, RBI and other publications
Sample Banks	SBI, Bank of Baroda, Union Bank of India, Indian Bank, Bank of India

The study does not involve any primary survey or confidential banking data.

### Data Analysis & Interpretation

**Analysis of Housing Loan Services:** Housing loans constitute the most significant portion of personal term loans due to the continuous growth of residential projects in Navi Mumbai.

**Table 1:** Housing Loan Features

Bank	Maximum Loan Tenure (Years)	Availability of Balance Transfer	Suitable for Salaried & Self-Employed
SBI	30	Yes	Yes
Bank of Baroda	30	Yes	Yes
Union Bank of India	30	Yes	Yes
Indian Bank	30	Yes	Yes
Bank of India	30	Yes	Yes

**Source:** Secondary Data

All selected nationalized banks offer housing loans with similar repayment periods and facilities. This indicates a standardized approach to home financing, making housing loans widely accessible to residents of Navi Mumbai.

**Table 2:** Comparative Interest Rates – Housing Loans

Bank	Interest Rate Range (% p.a.)	Nature of Rate
State Bank of India	8.40 – 9.15	Floating
Bank of Baroda	8.45 – 9.25	Floating
Union Bank of India	8.50 – 9.30	Floating
Indian Bank	8.40 – 9.20	Floating
Bank of India	8.45 – 9.35	Floating

*Source:* Secondary Data

The table indicates that housing loan interest rates across nationalized banks are closely aligned, with only marginal differences. This uniformity reflects regulatory oversight and competitive parity in the housing finance segment. Housing loans emerge as the lowest-interest personal term loan, making them affordable for long-term borrowers in Navi Mumbai.

**Analysis of Vehicle Loan Services:** Vehicle loans help individuals meet personal mobility needs and are commonly used for purchasing cars and two-wheelers.

**Table 3:** Vehicle Loan Availability

Bank	Car Loan Available	Two-Wheeler Loan Available	Loan for Used Vehicles
SBI	Yes	Yes	Yes
Bank of Baroda	Yes	Limited	Yes
Union Bank of India	Yes	Yes	Limited
Indian Bank	Yes	No	Limited
Bank of India	Yes	No	Yes

*Source:* Secondary Data

All banks provide car loans, but availability of two-wheeler loans varies. This suggests that banks prioritize higher-value personal loans while selectively offering smaller vehicle loans.

**Table 4:** Comparative Interest Rates – Vehicle Loan

Bank	Interest Rate Range (% p.a.)	Loan Type
State Bank of India	8.75 – 10.00	New vehicles
Bank of Baroda	8.70 – 10.25	New vehicles
Union Bank of India	8.90 – 10.50	New vehicles
Indian Bank	9.00 – 10.75	New vehicles
Bank of India	8.95 – 10.60	New vehicles

*Source:* Secondary Data

Vehicle loan interest rates are higher than housing loans due to shorter tenure and faster asset depreciation. The variation across banks is moderate, indicating selective pricing strategies. SBI and Bank of Baroda appear slightly more competitive at the lower end of the range.

**Analysis of Education Loan Services:** Education loans support students in pursuing higher education and professional courses, both in India and abroad.

**Table 5:** Education Loan Facilities

<b>Bank</b>	<b>Education Loan Available</b>	<b>Overseas Studies Covered</b>	<b>Government Scheme Linked</b>
SBI	Yes	Yes	Yes
Bank of Baroda	Yes	Yes	Yes
Union Bank of India	Yes	Yes	Yes
Indian Bank	Yes	Yes	Yes
Bank of India	Yes	Yes	Yes

*Source:* Secondary Data

All nationalized banks actively support education loans, reflecting their role in promoting educational development and social mobility.

**Table 6:** Comparative Interest Rates – Education Loans

<b>Bank</b>	<b>Interest Rate Range (% p.a.)</b>	<b>Special Feature</b>
State Bank of India	8.15 – 9.50	Concession for female students
Bank of Baroda	8.20 – 9.60	Lower rates for premier institutes
Union Bank of India	8.30 – 9.70	Moratorium benefit
Indian Bank	8.25 – 9.65	Govt-linked schemes
Bank of India	8.30 – 9.75	Flexible repayment

*Source:* Secondary Data

Education loan interest rates are comparable to housing loans and lower than vehicle loans, reflecting their social-development orientation. All nationalized banks offer concessional terms under government-supported frameworks, reinforcing their role in promoting higher education.

**Comparative Analysis of Personal Term Loans**

**Table 7:** Overall Personal Loan Service Comparison

<b>Bank</b>	<b>Housing Loans</b>	<b>Vehicle Loans</b>	<b>Education Loans</b>
SBI	High	High	High
Bank of Baroda	High	Medium	High
Union Bank of India	High	Medium	High

Indian Bank	High	Low	Medium
Bank of India	High	Medium	Medium

**Source:** Secondary Data

While housing loans are uniformly strong across all banks, differences appear in vehicle and education loan services. Some banks offer a wider range of personal loan options, indicating diversified retail lending strategies.

**Table 8:** Interest Rate Comparison

Loan Type	Interest Level	Reason
Housing Loan	Lowest	Long tenure, secured, asset-backed
Education Loan	Moderate–Low	Government support, social objective
Vehicle Loan	Highest	Short tenure, asset depreciation

### Interpretation Based on Hypothesis:

1. The analysis shows that all nationalized banks offer common personal term loans such as housing, vehicle, and education loans. However, differences exist in loan coverage, flexibility, and emphasis across banks. Therefore, the null hypothesis ( $H_0$ ) is rejected, and the alternative hypothesis ( $H_1$ ) is accepted.
2. The study reveals that while housing loans show a high level of uniformity in tenure and structure, vehicle loans and education loans differ in terms of interest rate ranges, loan options, and special benefits. Hence,  $H_0$  is partially rejected, and  $H_1$  is partially accepted, indicating selective variation among loan categories.
3. The comparative analysis demonstrates that although the basic structure of personal term loans is similar across banks, notable differences exist in interest rate ranges, loan availability, and service depth. Accordingly, the null hypothesis ( $H_0$ ) is rejected, and the alternative hypothesis ( $H_1$ ) is accepted.

### Findings

1. The analysis indicates that nationalized banks in Navi Mumbai offer similar personal term loan categories, but differ in the range and emphasis of loan services provided.
2. Housing loan features across nationalized banks are largely uniform, with minor variations observed in interest rate ranges and service delivery.
3. Vehicle and education loan services exhibit observable differences among nationalized banks, particularly in interest rates and loan flexibility.
4. The comparative analysis confirms notable differentiation in personal term loan offerings across nationalized banks despite overall structural similarity.
5. Despite similar loan structures, banks differ in service depth and customer focus.

### Conclusion

The study concludes that nationalized banks in Navi Mumbai provide comprehensive personal term loan services catering to the housing, transportation, and educational needs of individuals. Although the fundamental structure of personal loans is similar across banks, variations exist in loan coverage and service emphasis. Strengthening customer awareness and simplifying loan procedures can further enhance access to personal finance and support inclusive urban growth.

The present study concludes that nationalized banks in Navi Mumbai play a vital role in meeting the long-term personal financial needs of individuals through a comprehensive range of personal term loan services. Housing loans, vehicle loans, and education loans form the backbone of retail lending activities, supporting asset creation, mobility, and educational advancement.

Although the structural features of personal term loans remain largely standardized across banks, variations in loan availability and emphasis indicate differing retail lending strategies. Housing loans emerge as the most significant contributor to personal credit growth, reflecting the rapid urban development of Navi Mumbai. Vehicle loans and education loans, while secondary in volume, remain important components of inclusive retail banking.

The study reinforces the importance of nationalized banks as stable and trustworthy financial institutions that balance commercial objectives with social responsibility. By continuing to simplify procedures, enhance transparency, and improve customer awareness, nationalized banks can further strengthen their role in promoting inclusive and sustainable urban financial development.

Overall, this descriptive analysis contributes to the limited body of city-specific literature on personal loan services and provides a useful foundation for future empirical research in retail banking and consumer finance.

## **References**

1. Reserve Bank of India. (2022). Report on Trend and Progress of Banking in India. Mumbai: Reserve Bank of India.
2. Kaur, P., & Gupta, R. (2019). A comparative study of personal loan services offered by public and private sector banks in India. *International Journal of Banking and Finance Research*, 7(2), 45–52.
3. Sharma, A. (2020). Retail banking growth and personal loan trends in metropolitan cities of India. *Journal of Financial Services Management*, 5(1), 30–38.
4. Patel, S., & Mehta, N. (2021). Customer awareness and perception of personal loan products offered by nationalized banks. *Asian Journal of Economics and Banking*, 3(2), 60–69.
5. Singh, R., & Verma, P. (2022). A study on housing loan schemes of public sector banks in India. *Journal of Applied Finance and Banking*, 12(3), 85–94.
6. Kumar, S. (2023). Education loan financing in India: Role of public sector banks. *International Journal of Education Economics and Policy*, 6(1), 22–29.