Before giving details regarding the research methodology used in the study, it is appropriate to present a brief overview of the research articles, case studies, and books written on this particular topic. The area of study may be within the country or outside the country. Review of literature helps a researcher to get acquainted with his/her selected research problem and also may provide some guidelines in selecting a proper research methodology. It is also helpful in finding out the research gaps in the existing literature. This will help the researcher in fine-tuning his/her research problem and methodology. Another advantage of reviewing in the existing literature is that in cases where the research problems are similar, the conclusions and findings may be easily compared. This will help the researcher in determining whether his/her findings are possible or not. The literature under review may be of two types: (i) The concern the conceptual and theoretical framework. (ii) The empirical literature dealing with the studies made in the past which are similar to the one that the researcher intended to undertake. The basic outcomes of such review will be the knowledge as to what data are available for analytical purposes, which will help the researcher to specify his/her own research problem in a more meaningful way. Thus, review of literature is helpful in formulating the research problem and also helps the researcher in deciding about the most appropriate methodology to be used. While comparing the results of the earlier studies with his/her own results, care must be taken to verify whether the objectives and methodology are similar.

While reviewing the earlier studies a researcher has to state the objectives of the study, describe the concepts and definitions used, the methodology employed and the important findings and conclusions of the study. The researcher is supposed to make a critical review of methodology used by the earlier researcher of the methodology if any. The researcher should improve his methodology in light of this. In the following paragraphs several similar studies undertaken earlier are reviewed keeping in mind, the following aspects: 1) The objectives, 2) Area of study with reference year, 3) Research methodology used and 4) Major findings and conclusions.

A Ghosh [1992]
The Reserve Bank of India had set-up a high level committee in 1992 which was headed by Mr. A. Ghosh, the then Dy. Governor Reserve Bank of India to inquire into various aspects relating to frauds malpractice in banks. The committee had noticed/observed three major causes for perpetration of fraud as: Laxity in observance of the laid down system and procedures by operational & supervising staff. Over confidence was reposed in the clients who indulged in breach of trust. Unscrupulous clients by taking advantages of the laxity in observance of established time tested safeguards also committed frauds. In order to have uniformity in reporting cases of frauds, RBI considered the question of classification of bank frauds on the basis of the provisions of the IPC.

Bagchi S. [2008]
Institutional provision of home loans is a societal compulsion and, as such, is a full scale national priority of emerging economy like India. The existing regulatory and institutional framework in India for meeting the growing needs of the people “to own their nest” is fairly adequate and should continue. But recent reports from various sources indicate that some home loan borrowers have been playing foul with banks in offering mortgage of the same property to a number of banks by providing false ownership deeds / documents. Usually this type of fraud appears because Banks, generally, prefer to obtain simple deposit of title deeds i.e. (mortgage by deposit of title deeds) but it was found that title deeds of some property were offered by having multiple registrations of the property, false income details, credit officer not investigating properly borrower’s income level, genuineness of title deeds ,bank lending the loan before accepting mortgage of landed property as a security cover, title scrutiny and non-encumbrance report from bank’s approved lawyer. Generally, the lawyer goes through the ownership records of the house for the past 30 years and submits his reports but in practice, lawyers generally scrutinize only of photocopies of title deeds so, the recent incidents of fraudulent mortgage practices need to be dealt with firmly. For this purpose, an external protection for banks by way of title insurance is an immediate necessity. Skilled and experienced officials may be entrusted to handle home loan account. Only registered mortgage should be accepted. In the light of increasing credit risk in home loan accounts, repayment period should not go beyond 10 / 12 years. If in the process, the quantum of loan is not found justified in consideration of income level, the applicant should go in for lower-cost home or alternatively raised unsecured funds. This is the suggestion made by Bagchi in
his article. Safe, sound and healthy loan portfolio in a bank is the product of a robust credit risk management system duly aided / supported by regulatory supervision and control.

Bhattacharjee K. [2007]
A reverse mortgage is a home equity loan offered to senior citizens that permits them to convert home equity into cash while they retain ownership. A reverse mortgage works like a traditional mortgage loan, only in reverse direction. A borrower does not make regular payments to a lender; instead he/she receives payments from the lender. The first reverse mortgage loan launched by Dewan housing in 2006. Reverse mortgage product name was “Saksham”. Then ICICI and NHB launched a new product of reverse mortgage. Reverse mortgage can provide a valuable income source for seniors who own property but lack liquid assets. So it is mainly meant for home-rich senior citizens who are otherwise cash-poor. This is precisely the scenario where reverse mortgage products can be a boon to senior citizens and a business for the lenders.

Cendrowski, Mitin & Petro [2006]
“Fraud deterrence is the proactive identification and removal of the causal and enabling factors of fraud.” Fraud deterrence is based on the premise that fraud is not a random occurrence; fraud occurs where the conditions are right for it to occur. Fraud deterrence attacks the root causes and enablers of fraud; this analysis could reveal potential fraud opportunities in the process, but is performed on the premise that improving organizational procedures to reduce or eliminate the causal factors of fraud is the single best defense against fraud. Fraud deterrence involves both short term (procedural) and long term (cultural) initiatives. Fraud deterrence is not earlier fraud detection, and this is often a confusing point. Fraud detection involves a review of historical transactions to identify indicators of a non-conforming transaction. Deterrence involves an analysis of the conditions and procedures that affect fraud enablers, in essence, looking at what could happen in the future given the process definitions in place, and the people operating that process.

G V Ramana Rao [2011]
Financing to various sectors in Indian banking is generally in accordance with the policies of the Government. When Government of India declared its housing and habitat Policy in 1997 and stated that there is a demand for 13.66 million new dwelling units in India, it appeared a
lucrative business avenue for the banks to finance. To encourage and motivate people to construct houses by borrowing, Government of India provided relief under Income Tax Act under Section 80C for repayment of housing loan installments and rebate on interest on Housing Loans. In the process, a large number of banks entered the arena triggering fierce competition. Almost all the banks went in for huge target-oriented lending to this sector. Inadvertently, this great rush for financing housing generated an opportunity for miscreants to make a killing. They have tried to manipulate the lacunae in the system of processing of sanction of loans by banks. It is said that the strength of a chain depends on its weakest link. In the processing of housing loan proposals, the most over-looked areas have become vulnerable points for perpetration of frauds. Unfortunately, criminals and fraudsters are always a step ahead of the lawmakers and find many ways to defraud individuals and institutions.

Jaco Melissa B. [2002]
She concluded that public investment in and promotion of home ownership and the home mortgage market often relies on three justifications to supplement shelter goals: to build household wealth and economic self-sufficiency, to generate positive social psychological states, and to develop stable neighborhoods and communities. Home ownership and mortgage obligations do not inherently further these objectives, however and sometimes undermine them. The most visible triggers of the recent surge in subprime delinquency have produced calls for emergency foreclosure avoidance interventions (as well as front-end regulatory fixes). Whatever their merit, she contend that a system of mortgage delinquency management should be an enduring component of housing policy. Furtherance of housing and household policy objectives hinges in part. On the conditions under which homeownership is obtained, maintained, leveraged, and in some situations exited. Given that high leverage or trigger events such as job loss and medical problems play significant roles in mortgage delinquency independent of loan terms, better origination practices cannot eliminate the need for delinquency management. In terms of analyzing this framework, it is tempting to focus on its impact on mortgage credit cost and access or on the absolute number of homes temporarily saved, but her proposed analysis is based on whether the system honors and furthers the goals of wealth building, positive social psychological states, and community development. Because those ends are not inexorably linked to ownership generally or owning a particular home, a system of delinquency management that honors these objectives should strive to
provide fair, transparent, humane, and predictable strategies for home exit as well as for home retention.

Joshua Rosner [2001]
He studied the prospects of the U.S. housing / mortgage sector over the next several years. Based on his analysis, he believes that, there are elements in place for the housing sector to continue to experience growth well above GDP. However, he believes that there are risks that can materially distort the growth prospects of the sector. Specifically, it appears that a large portion of the housing sector’s growth in the 1990’s came from the easing of the credit underwriting process.

Kalpana Chandraprakash Satija [2009]
The banking sector in India underwent an unprecedented transformation in the 1990s with the emergence of a large number of private as well as foreign multinational banks entering the country increasing rapidly the number of banks in India due to the economic reforms. So the banking activities increased manifold and affected a large number of areas of operation of banks, particularly in the field of bank lending. Banks operate on the pattern of extending credit against security given by its customers associated with the bank. The facility of extending credit agencies are recognition of the changing times in which banks have to operate in a changing and ever evolving economic scenario. Growing needs and realisation of higher rate of investments is giving birth to bank credit in India.

Lall Vinay [1984]
He has focused attention upon ‘formal factor’ (Permanent Construction) which served mainly to the HIG and MIG, the loan meets only 47% of the price of the house, forcing the borrowers to make very large down payments. Also the price of a typical house was above 3 times the annual families’ income of the borrowers. In spite of, the entire system of housing allocation and credit the supply of affordable funds was much smaller than demand. Thus, large growth in urban population and the historically low priority given to housing, supply falls very short of demand and need. Therefore, not only that the volume of saving and investments should increase but also larger volumes of capital should flow into housing.
Also, accessibility and terms and condition of housing credit will determine the long term redistribution performance in housing.

M. Mahadeva [2004]
In this article, the author has analysed the nature and distribution of the housing problem in Karnataka and examined how the state has addressed this issue. In particular, it considers the strategies adopted during the 90s and identifies a number of failures including the task force on housing. Some of the major weaknesses, pertaining to incidence by type and by rural-urban areas, on approaches, on financial requirements and issue of development and redevelopment are examined to propose alternative policy strategies to effectively address the housing problem in the state. From the analysis it is found that Karnataka is not an exception to the general rule that housing strategies, which were evolved over decades, have not taken the direction expected. By and large, the sectoral policies pursued were only ad hoc without a clear focus.

M. K. Singh [2005]
Essentially, fraud is a manifestation of the failure or short circuit of internal controls and systems at operating level. However, periodical visits of the Controller to branches and close monitoring of control returns, is of critical importance in the prevention of frauds and related malpractices.

Manoj P K [2010]
Formal system for housing finance in India is primarily dominated by two major types of institutions, viz. commercial banks (CBs) and housing finance companies (HFCs), and a very small share of the market (nearly 0.5 percent, for the last few years) goes to the third group viz. co-operative sector institutions. Of the two major groups, the HFCs which dominated the market till FY 2002 were overtaken by CBs in FY 2003 and since then CBs have been leading the market. Consequently, although HFCs are specialized institutions in housing finance, their market share and profitability are growingly under threat year after year. Thus, enhanced operational efficiency has become a vital pre-requisite for survival and growth of HFCs. In the above context, this paper seeks to (i) make an overall review of the emergence of the institutional system for housing finance in India and to trace the broad pattern of its composition over the years, (ii) study the major problems and challenges faced by HFCs,
particularly in comparison with CBs, the other major group, (iii) Analyse the operational efficiency of the major HFCs and to benchmark them based on their relative operational efficiency, and (iv) suggest suitable strategies for enhanced operational efficiency of HFCs in India.

Padhi Manohar [2007]
This article addressed the key issues of housing loan frauds. Aggressive growth in housing finance by the banks is for the reasons of Tax incentives on repayment of principal and interest, rising income level of the middle class, affordable interest rate, completion amongst banks and housing finance institutions, low returns on other investments, low incidence of NPA, and housing as priority sector lending for banks. Housing loans as a percentage of GDP, is 57% in UK, 54% in USA and it is only 2.5% in India. It shows vast scope for housing loans in India. Increased focus of banks in housing finance is also not free from fraud. Fraud is one of the reasons for turning the housing loan account to NPA. The main reason for housing loan turning NPA are loss of job, closure of the factory/company, illness of the borrower, dispute between builder and borrower, over-finance to the borrower, agents approaches the bank for section of housing loans in bunches, sections of loan on fabricated documents without proper verification (Benami A/C, submission of fake title deeds of immovable property, colored Xerox copy of the title deed, subject of fake income certificate etc.) but the precautionary measures prevent the frauds in housing finance like – pre-sanction appraisal, documentation and creation of charge and post-sanction follow-up. The other preventive measures like Identification of Borrower, Guarantor and Branch should insist opening of bank A/C as per KYC Norm, pre sanction verification report, site verification, existence of property, valuation of property photo of the immovable property, approval of map and cost-estimate, scrutiny of title, end-use verification of amount disbursed. Pay order should be issued in the name of banker, cross verification with balance sheet document of title should be in DEMAT form, in case of large value of loan bank approach subregistrar’s office to verify, Bank should develop in-house expertise etc.

Phogat M. [2006]
This article gives the measures for the housing loan frauds in banks. The author concluded that housing for all envisaged 2 million houses every year out of which 0.7 million are in the urban sector. Government provided certain relief under Income Tax Act. It motivated many people to avail housing loan. The author thinks that different frauds committed on various
banks can be divided into the following two categories. i.e. Pre sanction and Post Sanction. KYC related due weakness in pre inspection, Benami A/c, forged title deeds, by selling same flat to different people, inflated salary certificate, filing of IT return for the last three years in one lot and particularly by paying a nominal amount of tax, valuation of the property is manipulated to manage margin money are post sanction fraud. The precautions may be taken at the bank level to avoid the assurance of fraud i.e. KYC norms be followed, main salary A/c should be verified, loan should be granted against the flat / houses built by reputed builders only. An undertaking from the builders for not been sold to any other person, search report of property to be conducted by the advocate, original title deeds, property tax, electricity bill, kept on records. Disbursement of loan should be made after spot verification, title deed should be scanned through ultra violet ray machines before mortgage and bank should independently verify the report and no middle man should be involved in the process and entire KYC. So the author points out that above mentioned precautions will enable the bankers to curb frauds and public money can be saved.

Rao K. N. et.al. [2005]
In this paper the authors revealed that during 2002-03 housing loans by banks grew at a hefty growth rate of more than 100%. The factors that contributed to this aggressive growth in the portfolio of housing loans of banks and HFC are: Tax intensives on repayment of principal and interest, rising income level of middle class, falling interest rate, stable real estate prices, easy availability of housing loans, low returns on the investment opportunities available in the market. They also concluded that although there is strong growth in housing loans by financial situations in India, we are still behind the developed countries in terms of housing loans to GDP ratio. In India it is around 2.5% compared to 57% in the UK and 54% in the US. It shows that there is a vast scope for housing loans in India. One economist has argued that every rupee spent on the housing sector will increase the GDP by more than 75 paise. It also creates a labour intensive. Despite the immense growth in housing loans there are certain challenges that the banks might face in the time to come, e.g. falling rate of interest, rising mismatch in the assets and liabilities of the bank, rising NPA in the housing loan portfolio, etc.

Rao K.N. [2006]
According to Rao, housing finance is a long term proposition involving many risks for the lenders, borrowers and even for the economy in general. As housing finance is a long term
game, it requires proper asset-liability management strategy, the borrowers also face interest rate risk, especially when they are locked in fixed rates when interest rates are falling and floating rates are rising. The author mentions in this article that home loans have been registering exponential growth in India during the last six years. Easy liquidity conditions, low interest rates, availability of tax shelters on repayment of principal and interest surging demand from middle income group borrowers, lower regulatory capital, the comfort of tangible security have all collectivity contributed to the spurt in home loans. HDFC, ICICI and SBI are the major players in disbursement of home loans. These banks sanction upto 85% of the cost of the property as home loan for a maximum period of 20 to 30 years. Europe has a very advanced mortgage market. In Italy foreclosure will fructify in 120 months whereas it takes just 6 months in Sweden and 9 months in the Netherland. Securitization route is employed by banks essentially to raise finance securitization process have given tremendous thrust to housing finance in countries like the US and Europe. It is a process of selling homogeneous loans for cash by the financing banks, to a special purpose vehicle. The SPV in turn collects money by selling bonds, which have the security backing in the form of home mortgages. Chinese banks do not have any significant exposure to housing loans. The Latin American countries do not have an efficient institutional mechanism for disbursing housing loans.

Rudra P. Pradhan [2009]
The paper examines the causal nexus between financial development, economic growth and poverty reduction in India during 1951-2008. The empirical analysis is based on co integration and causality test. The co integration test finds the presence of long run equilibrium relationship between financial development, economic growth and poverty reduction. The Granger causality test at the end confirms the presence of unidirectional causality from poverty reduction to economic growth, economic growth to finance development, financial development to poverty reduction and economic growth to poverty reduction. It also finds no causality between finance development and economic growth, and poverty reduction and finance development. The paper suggests that economic growth is considered as the policy variable to accelerate finance development and both could be used as the policy variable to reduce poverty in the economy.

Singh Fulbag et.al. [2006]
In this paper, the authors have studied the housing finance in India. Housing, as one of the three basic needs of life, always remains on the top priority of any person, economy, government and society at large. In India, majority of the population lives in slums and shabby shelters in rural areas. The paper is based on the case study of LIC Housing Finance Ltd., which analyzes region-wise disbursements of individual house loans their portfolio amounts and the defaults for the last ten years, i.e., from 1995-96 to 2004-05 by working out relevant ratios in terms of percentage and the compound annual growth rates.

Srinivas S.P. [2006]
The study revealed that disbursement of home loan increased at increasing growth rate during the growth rate of disbursement in 2000-01 compared to the earlier year was 13.7% which increased up to 76% in 2002-03. The reasons behind the growth in housing loans are,
(i) Easy availability of housing loans (ii) Growing population (iii) Nuclear family system (iv) Newer segments for finance (v) Urbanization of Indian economy (vi) Shortage of dwelling units (vii) Declining of cost of house to income ratio etc and, (viii) Tax benefits.

The study revealed that banks have also concentrated on housing loans because the housing loans are totally secured as the mortgage on the property securities the loan. Also the capital adequacy requirement for general lending is at 100% for housing loans. The processing and documentation of housing loan is very easy due to extensive utilization of technology. But there are also some common frauds occurring in housing finance like an individual’s inflate their income statement, manipulate the income tax returns, inflate the value property, lack of appraisal & follow up etc. The researcher has also explained the new concept of NPL (Non-performing loan). The housing finance has been associated very low risk. But empirical evidence suggest that non-performing loan in the Indian housing finance sector are much higher than in a developed market. NPL rise in India because of willing defaulters and an emerging population of fraudsters. This is also a reflection of industry’s aggressive marketing and some inadequacies in appraisal standards and system. Such high NPL have two-fold impact i.e. they depress yield and entail a credit cost in the form of provisioning and write-off. The researcher also found that the NPL of housing finance companies are higher than the banks. The suggestion given by researcher is that if the banks have not taken the prudential norms for housing loans they have to conduct recovery mela instead of present loan mela.
Usha Throat [2006]

The author Dy. Governor of RBI has traced the evolution of UCBs their unique structure strengths and weakness and RBI approach to strengthen the coop sector. The author has examined corporate governance issue in UCBs and discussed the international best practices for credit union, internal, external and individual, governance and role of board of directors and policy initiatives taken by RBI.

Vandna Singh & Komal [2010]

The present paper entitled “Prospects & Problems of Real Estate in India” is an attempt to reveal the issues concerned with real estate investment sector in India. This paper is concerned with the investment on real estate in India and the trends in the concerned industry. The paper has been divided into three sections. Section one deals with the fundamental factors affecting the real value like demand, supply, property, restrictions to use and site characteristics. Section two and three explains the causes and the constraints to the present real estate boom respectively in India. The paper also presents the suggestions and future prospects of real estate in the country.