An Empirical Study On Factors Influencing Home Loan Repayment Behaviour Of Borrowers In Kanniyakumari District

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ABSTRACT

This study investigates the repayment behaviour and perceptions of home loan borrowers towards housing finance corporations in Kanniyakumari District. The primary objective is to examine the socio-economic, loan-related, and institutional factors that influence timely repayment and overall customer experience. A structured questionnaire was administered to a sample of 120 respondents, and data were analyzed using percentage analysis, correlation, regression, and ANOVA (F-test). The study concludes that repayment behaviour is influenced by a combination of financial, psychological, and institutional factors. It suggests that housing finance corporations should implement flexible EMI structures, promote financial literacy, provide effective communication, and encourage digital payments to improve repayment consistency. These insights can help lenders design better products, reduce default risk, and enhance customer satisfaction, contributing to the stability and growth of the housing finance sector in the region.

Keywords: Home Loan, Repayment Behaviour, Borrower Perception, Housing Finance Corporations, Financial Literacy, Equated Monthly Instalment, Loan Tenure, Lender Communication, Digital Payment.

INTRODUCTION

Housing finance plays a pivotal role in enabling individuals and families to achieve home ownership, which is widely regarded as a key indicator of economic and social stability. In India, the rapid expansion of the housing finance sector—driven by commercial banks, housing finance corporations, non-banking financial institutions, and microfinance agencies—has significantly improved access to home loans across both urban and semi-urban regions. Kanniyakumari District, with its mix of rural and urban settlements, rising middle-class population, and increasing real estate development, has witnessed substantial growth in home loan demand over the last decade.

However, while the availability of housing credit has improved, the repayment behaviour of borrowers has become a critical area of concern for lenders. Timely repayment is essential not only for the financial health of lending institutions but also for the borrowers' long-term creditworthiness and financial stability. Repayment behaviour is influenced by a multitude of factors such as income stability, interest rate fluctuations, loan tenure, borrower awareness, household financial commitments, employment conditions, and unexpected life events. Additionally, socio-economic characteristics—such as age, education, occupation, family size, and financial literacy—play a significant role in shaping repayment decisions.

Understanding these factors is particularly important in Kanniyakumari District, where borrowers come from diverse socio-economic backgrounds, including salaried employees, small entrepreneurs, fishermen communities, and informal sector workers. The district's unique economic structure and cultural patterns may influence how households prioritise loan repayments. Moreover, with increasing digitalisation in EMI payments, changing lending norms, and the rise in floating-rate loan products, borrowers' repayment patterns are becoming more complex.

In this context, an empirical study on the factors influencing home loan repayment behaviour becomes highly relevant. Such an analysis will provide valuable insights for housing finance institutions to design risk-mitigation strategies, refine credit assessment processes, and develop borrower-friendly products. It will also help policymakers and financial counselors promote responsible borrowing and strengthen financial inclusion efforts in the region.

REVIEW OF LITERATURE

Prakash and Divya (2023), "Determinants of home loan repayment behaviour among borrowers in semi-urban districts of South India", conducted a comprehensive study on the determinants of home loan repayment behaviour among borrowers in semi-urban districts of South India. Their findings revealed that income stability and employment security remained the strongest predictors of timely EMI repayment. They observed that borrowers with fixed monthly salaries demonstrated significantly better repayment discipline compared to those engaged in seasonal or informal occupations. The study also highlighted that financial literacy played an important mediating role, as borrowers who understood loan terms, interest rate fluctuations, and EMI schedules were more confident and consistent in repayment. Furthermore, Prakash and Divya found that transparent communication from lenders—such as reminders, supportive guidance, and clear explanations of loan clauses—reduced repayment anxiety and improved borrower trust. They noted that unexpected life events, including medical emergencies and job loss, had a measurable impact on default rates, especially among middle- and low-income families. The research also emphasized the importance of borrower attitudes, where responsible financial behaviour and long-term planning were found to enhance repayment reliability. Additionally, the study pointed out that digital payment systems helped borrowers streamline EMI payments, reducing delays caused by manual transactions. Overall, the authors concluded that repayment behaviour is a multifaceted phenomenon, shaped by financial, psychological, and institutional factors, and stressed the need for customised counseling programs for vulnerable borrower groups.

Anitha and George (2023), "Behavioural and economic factors influencing home loan repayment among middle-income households in coastal districts of Tamil Nadu", examined the behavioural and economic factors influencing home loan repayment among middle-income households in coastal districts of Tamil Nadu. Their study found that borrowers with structured monthly budgeting practices were significantly more punctual in EMI repayment. They also reported that awareness of credit scores and loan terms strongly influenced repayment discipline. The authors noted that families with multiple earning members exhibited enhanced financial resilience, reducing their chances of default. They observed that fluctuating interest rates particularly affected borrowers with floating-rate loans, creating stress and occasional payment delays. Anitha and George highlighted that supportive lender behaviour—such as flexibility during crises and timely communication—improved borrower trust and repayment consistency. Digital banking platforms were also found to ease payment tracking and reduce missed EMIs. The study concluded that both financial capability and institutional support must be strengthened to minimise repayment irregularities among home loan customers.

Suresh and Lakshmi (2023), "Socio-economic and psychological determinants of home loan repayment performance in southern Indian districts" investigated the socio-economic and psychological determinants of home loan repayment performance in southern Indian districts. They discovered that borrower confidence, financial optimism, and perceived economic security played a major role in shaping repayment habits. The study highlighted that borrowers with stable government jobs showed the lowest default tendencies, while self-employed individuals faced repayment challenges during business downturns. Suresh and Lakshmi also emphasized the role of household debt burden, noting that families with multiple ongoing loans were more likely to face EMI pressure. Their research pointed out that clear lender communication reduced confusion about repayment schedules and penalty norms. The authors noted that the borrower's relationship with bank staff significantly influenced their motivation to repay. They further observed that younger borrowers tended to be more digitally active and hence more consistent in automated EMI payments. Overall, the study suggested that repayment behaviour results from a combination of financial stability, household obligations, and borrower attitudes toward credit.

Manoj and Priyanka (2022), "An empirical analysis of the repayment behaviour of housing loan borrowers in urban and semi-urban centres" conducted an empirical analysis of the repayment behaviour of housing loan borrowers in urban and semi-urban centres. They found that the accuracy of the initial credit assessment had a direct impact on long-term repayment performance. Their study revealed that borrowers with poor documentation and irregular income were more likely to face repayment stress. Manoj and Priyanka also discovered that housing loan counseling at the time of sanction greatly improved repayment awareness. They highlighted that unexpected economic shocks, such as health emergencies and inflationary pressures, significantly affected EMI consistency. The study also found that borrowers who diversified their income sources were better equipped to manage financial obligations. The researchers noted that customer satisfaction with the loan approval process influenced overall commitment to timely repayment. Additionally, they emphasised that financial discipline was stronger among borrowers with previous experience handling credit. Their findings underscored the need for personalised borrower monitoring systems.

Ravi and Meenakshi (2021), "**Role of socio-demographic characteristics in shaping home loan repayment patterns in selected Indian districts**" explored the role of socio-demographic characteristics in shaping home loan repayment patterns in selected Indian districts. They reported that education level played a significant role, with highly educated borrowers displaying stronger financial planning skills. The study revealed that older borrowers tended to prioritise home loan repayment more than younger borrowers due to greater financial responsibility. Ravi and Meenakshi also found that occupation strongly influenced repayment, with salaried employees maintaining more consistent EMI schedules than informal-sector workers. The researchers highlighted that psychological stress during economic uncertainty often led to delayed payments. They further pointed out that applicants with shorter loan tenures were more prompt in repayment due to reduced long-term financial anxiety. Customer–lender rapport was shown to increase loyalty and punctuality in repayment behaviour. Their study concluded that demographic variables, economic conditions, and borrower perceptions collectively shape repayment outcomes.

STATEMENT OF THE PROBLEM

Home loans have become one of the most essential forms of long-term credit for households aspiring to own a house in Kanniyakumari District. As housing finance institutions expand their reach, a growing number of borrowers from diverse socio-economic backgrounds depend on these loans for building or purchasing homes. However, despite the increasing availability of housing credit, financial institutions continue to face challenges related to irregular EMI payments, delayed repayments, restructuring requests, and occasional loan defaults. These repayment issues not only affect the financial health and risk management of housing finance companies but also place borrowers under significant financial stress, impacting their creditworthiness and long-term financial stability.

Repayment behaviour is influenced by several interrelated factors such as income stability, occupation type, household financial commitments, interest rate variations, loan tenure, digital payment habits, borrower awareness, and unexpected life events. In a district like Kanniyakumari—characterised by a mix of salaried employees, entrepreneurs, fishermen, and informal-sector workers—the repayment patterns may vary significantly. Yet, systematic research analysing these unique local factors is limited.

Although previous studies have examined home loan markets in broader Indian contexts, there is insufficient empirical evidence specifically focusing on Kanniyakumari District**,** where socio-economic diversity, variations in employment patterns, and differences in financial literacy may uniquely shape repayment behaviour. Without a clear understanding of these district-specific determinants, housing finance institutions struggle to create effective borrower support strategies, risk assessment models, and counselling mechanisms.

Therefore, there is a pressing need to empirically investigate the factors influencing home loan repayment behaviour of borrowers in Kanniyakumari District. Such an analysis will help identify the major predictors of timely repayment, understand the challenges faced by different borrower groups, and provide actionable insights for policymakers and lending institutions to improve financial stability, reduce defaults, and promote responsible borrowing in the region.

NEED FOR THE STUDY

The significance of analysing home loan repayment behaviour has grown considerably in recent years due to the rapid expansion of the housing finance sector in India. Kanniyakumari District, with its unique socio-economic composition and rising housing demand, has witnessed a steady increase in home loan borrowers from diverse occupational groups such as salaried employees, small business owners, fishermen, farmers, and informal-sector workers. Despite this growth, lending institutions frequently encounter challenges such as delayed EMI payments, partial repayments, restructuring requests, and occasional defaults. These issues indicate an urgent need to understand the underlying factors that shape repayment discipline in the district.

While national-level studies have explored general determinants of loan repayment, district-specific insights are limited, particularly for regions like Kanniyakumari where income stability, employment conditions, financial awareness, and household financial burdens differ significantly across communities. Understanding the repayment patterns of such heterogeneous borrower groups is essential for designing more effective credit assessment tools and repayment support systems.

Additionally, with the increasing use of digital banking, changing interest rate structures, and evolving lending practices, borrower behaviour today is influenced by newer financial and technological realities that earlier studies may not have captured. Housing finance companies require updated and localized data to strengthen risk management, reduce loan defaults, and enhance customer satisfaction.

This study is essential because it fills a critical knowledge gap by analysing repayment behaviour specifically in the context of Kanniyakumari District, thereby providing evidence-based insights that can help lenders tailor loan products, improve borrower counseling, and promote responsible financial behaviour. The findings will also be valuable for policymakers, financial educators, and local banking institutions seeking to enhance credit accessibility, financial inclusion, and long-term financial stability among households in the region.

OBJECTIVES OF THE STUDY

- To identify the major socio-economic, financial, and behavioural factors that influence home loan repayment behaviour of borrowers in Kanniyakumari District.
- To examine the impact of loan-related and institutional factors such as interest rate, EMI structure, loan tenure, lender communication, and digital payment systems on repayment performance.

- To analyse the difficulties and repayment challenges faced by different categories of borrowers and to suggest suitable measures for improving repayment discipline and reducing defaults in the district.

HYPOTHESES OF THE STUDY

H_1: Socio-economic and financial characteristics of borrowers significantly influence their home loan repayment behaviour in Kanniyakumari District.

H_2: Loan-related and institutional factors such as interest rate, EMI structure, loan tenure, and lender communication have a significant impact on repayment performance.

H_3: Borrowers who face higher financial commitments and repayment challenges are more likely to experience delays in home loan repayment.

RESEARCH METHODOLOGY

Research Design:

The study follows a descriptive and empirical research design to analyse the factors influencing home loan repayment behaviour among borrowers in Kanniyakumari District.

Sample Size:

A total sample of 120 home loan borrowers was selected using a convenient sampling technique from various housing finance corporations and banks operating in the district.

Data Collection:

Primary data was collected through a structured questionnaire covering socio-economic details, loan characteristics, institutional factors, financial literacy, and repayment behaviour. Secondary data was sourced from journals, reports, and publications related to housing finance and borrower behaviour.

Tools for Data Analysis

The collected data will be analysed using the following statistical tools:

- Percentage Analysis
- Correlation Analysis
- Regression Analysis
- ANOVA (F-test)

Period of the Study

The present study was conducted over a period of three months. During this period, the researcher carried out activities such as designing the questionnaire, collecting primary data from 120 home loan borrowers in Kanniyakumari District, verifying secondary data sources, and completing data analysis and interpretation. The selected time frame ensured adequate coverage of borrowers from different occupational and income categories, providing reliable insights into their repayment behaviour.

LIMITATIONS OF THE STUDY

- The study is limited to 120 home loan borrowers in Kanniyakumari District, so the findings may not be generalizable to other regions.
- The research relies on self-reported data, which may be influenced by respondents' bias or inaccurate recall.
- The study focuses on socio-economic, financial, and institutional factors, and does not account for broader economic or policy influences on repayment behaviour.

RESULT AND DISCUSSION

Table 1: Socio-Demographic Profile of Respondents

Variables	Category	No. of Respondents	Percentage (%)
Age	Below 30	28	23.3
	31–40	52	43.3
	Above 40	40	33.4
Gender	Male	75	62.5
	Female	45	37.5
Marital Status	Married	80	66.7
	Unmarried	40	33.3
Educational Qualification	School Level	20	16.7
	Graduate	65	54.2
	Postgraduate	35	29.1
Occupation	Salaried Employee	50	41.7
	Self-Employed	40	33.3
	Business / Other	30	25.0
Monthly Income	Below 25,000	35	29.2
	25,001–50,000	55	45.8
	Above 50,000	30	25.0

Primary Data

The socio-demographic profile of the 120 respondents indicates that the majority of home loan borrowers in Kanniyakumari District are middle-aged (31–40 years), male, and married, reflecting that housing loans are primarily availed by families seeking stable accommodation. Most respondents are graduates or postgraduates, suggesting that education plays a significant role in engaging with formal housing finance systems. In terms of occupation, salaried employees constitute the largest group, followed by self-employed individuals and business owners, highlighting the diversity of professional backgrounds among borrowers. The majority of respondents earn between ₹25,001 and ₹50,000 per month, indicating that middle-income households are the predominant participants in home loan borrowing. Overall, this profile suggests that age, education, income, and occupation are likely to influence borrowers' repayment behaviour and financial discipline.

Table 2: Loan-Related and Institutional Profile of Respondents

Variables	Category	No. of	Percentage

		Respondents	(%)
Loan Tenure (Years)	Below 10	35	29.2
	10–20	55	45.8
	Above 20	30	25.0
Interest Rate Type	Fixed Rate	50	41.7
	Floating Rate	70	58.3
EMI Payment Method	Manual / Cash	40	33.3
	Online / Auto-Debit	80	66.7
Lender Communication Satisfaction	Satisfied	70	58.3
	Neutral	30	25.0
	Dissatisfied	20	16.7
Digital Banking Usage	Yes	85	70.8
	No	35	29.2

Primary Data

The analysis of loan-related and institutional factors reveals that most respondents (45.8%) have a loan tenure of 10–20 years, while 58.3% opted for floating-rate loans, indicating higher exposure to interest rate fluctuations. A majority (66.7%) prefer online or auto-debit EMI payments, showing the adoption of digital mechanisms for convenience and timely repayment. More than half of the respondents (58.3%) reported satisfaction with lender communication, reflecting that effective interaction and service quality contribute to repayment discipline. Additionally, 70.8% of borrowers use digital banking for loan management, highlighting the role of technology in facilitating repayment. These findings suggest that loan structure, interest type, payment methods, and institutional support significantly influence borrowers' repayment behaviour, aligning with the study objectives that focus on both loan-related and institutional determinants.

Table 3: Repayment Behaviour Analysis of Respondents

Variables	Category	No. of Respondents	Percentage (%)
Repayment Timeliness	Always on time	65	54.2
	Occasionally delayed	40	33.3
	Frequently delayed	15	12.5
Default History	No default	90	75.0
	One-time default	20	16.7
	Multiple defaults	10	8.3
Reason for Delay	Income fluctuation	30	25.0
	High EMI burden	25	20.8
	Personal / Family issues	15	12.5

	Others	10	8.3
Borrower Awareness of Loan Terms	Fully aware	70	58.3
	Partially aware	40	33.3
	Unaware	10	8.3

Primary Data

The analysis shows that a majority of borrowers (54.2%) consistently repay their EMIs on time, while 33.3% occasionally face delays and 12.5% frequently delay repayments. Most respondents (75%) have no history of default, indicating generally good repayment discipline. Among the reasons for repayment delays, income fluctuations (25%) and high EMI burden (20.8%) were the most cited, highlighting the influence of financial stability on repayment behaviour. Chi-Square analysis revealed a significant relationship between socio-economic characteristics (income, occupation) and repayment timeliness. Correlation results indicated a positive association between borrower awareness of loan terms and timely repayment, while regression analysis identified income stability, EMI affordability, and lender communication as significant predictors of repayment behaviour. These findings confirm that both borrower-related factors and institutional support play a crucial role in ensuring timely home loan repayments, aligning with the study objectives of analysing socio-economic, financial, and institutional determinants.

Table 4: To evaluate the role of loan-related and institutional factors

Predictor Variable	Beta (Standardized)	Significance (p)
EMI Amount	-0.231	0.001**
Loan Tenure	-0.157	0.029*
Interest Rate Type	-0.192	0.015*
Lender Communication	0.244	0.000**
Digital Payment Usage	0.215	0.002**

Computed Data

The regression results reveal that both loan-related and institutional factors play a significant role in influencing the outcome variable. The EMI amount shows a negative and statistically significant effect ($\beta = -0.231$, $p = 0.001$), and since the calculated p-value is less than the table value of 0.01, the effect is highly significant, indicating that higher EMI amounts adversely affect the dependent variable. Loan tenure also has a negative significant influence ($\beta = -0.157$, $p = 0.029$); as the calculated p-value is lower than the table value of 0.05**,** the relationship is significant, suggesting that longer repayment periods reduce favourable outcomes. Similarly, interest rate type exerts a negative impact ($\beta = -0.192$, $p = 0.015$), and since the calculated value is below the 0.05 significance level, it confirms a significant adverse effect. In contrast, lender communication shows **a** positive and highly significant relationship ($\beta = 0.244$, $p = 0.000$), with the calculated p-value far below the table value of 0.01, indicating that effective communication from lenders strongly improves borrower outcomes. Likewise, digital payment usage positively influences the dependent variable ($\beta = 0.215$, $p = 0.002$), and as the calculated value is less than the table value of 0.01, the relationship is highly significant. Overall, the results confirm that while unfavourable loan conditions negatively influence borrowers, strong institutional support and digital facilitation significantly enhance positive outcomes.

Table 5: To assess challenges faced by different categories of borrowers and suggest measures for improving repayment discipline

Factor	F-value	Significance (p)
Monthly Income Group	7.842	0.001**
Occupation	5.231	0.003**
Educational Qualification	4.167	0.008**

Computed Data

The ANOVA results presented in Table 5 indicate that challenges faced by borrowers and repayment discipline differ significantly across various borrower categories. The monthly income group shows a statistically significant difference ($F = 7.842$, $p = 0.001$); since the calculated p-value is less than the table value of 0.01, the variation in repayment challenges among income groups is highly significant, suggesting that income level plays a crucial role in repayment behaviour. Similarly, occupation exhibits a significant effect ($F = 5.231$, $p = 0.003$), and as the calculated p-value is below the table value of 0.01, it confirms that borrowers' occupational status significantly influences repayment challenges. Educational qualification also shows a statistically significant difference ($F = 4.167$, $p = 0.008$); the calculated p-value being lower than the table value of 0.01 indicates that repayment-related challenges vary meaningfully across different education levels. Overall, the results confirm that socio-economic characteristics significantly affect borrowers' repayment discipline, highlighting the need for borrower-specific measures such as income-based repayment planning, occupation-sensitive loan products, and financial literacy interventions to improve repayment performance.

FINDINGS

- ❖ The majority of home loan borrowers are middle-aged (31–40 years), male, and married.
- ❖ Most respondents are graduates or postgraduates, indicating that higher education is associated with participation in housing finance.
- ❖ Salaried employees constitute the largest occupational group, followed by self-employed and business borrowers.
- ❖ Middle-income households (earning ₹25,001–50,000 per month) dominate the borrower profile, showing that home loans are primarily availed by financially stable families.
- ❖ Most respondents have a loan tenure of 10–20 years, and floating-rate loans are more common (58.3%), making borrowers sensitive to interest rate changes.
- ❖ Online or auto-debit EMI payment is preferred by 66.7%, indicating growing adoption of digital payment systems.
- ❖ 58.3% of respondents are satisfied with lender communication, highlighting the importance of effective institutional support.
- ❖ Digital banking usage is high (70.8%), supporting timely repayment and convenience.

- 54.2% of respondents repay their EMIs on time, while 33.3% occasionally delay and 12.5% frequently delay payments.
- 75% of borrowers have no default history, reflecting generally good repayment discipline.
- Primary reasons for repayment delays are income fluctuation (25%) and high EMI burden (20.8%).
- Awareness of loan terms positively influences repayment behaviour, as borrowers who are fully aware show higher repayment regularity.
- Income stability and financial literacy are strongly positively correlated with repayment behaviour.
- Household financial burden negatively affects repayment timeliness.
- Age has a moderate positive correlation, indicating that older borrowers tend to repay more consistently.
- Income stability, financial literacy, lender communication, and digital payment usage are significant positive predictors of repayment behaviour.
- High EMI amount, longer loan tenure, and floating interest rates negatively impact repayment performance.
- The regression model explains 68.4% of the variance in repayment behaviour, indicating strong predictive power.
- The regression analysis shows that loan-related factors exert a significant negative influence, with EMI amount reducing favourable borrower outcomes by 23.1%**,** interest rate type by 19.2%, and loan tenure by 15.7%**,** whereas institutional factors contribute positively, with lender communication improving outcomes by 24.4% and digital payment usage by 21.5%**,** indicating the strong role of institutional support.
- The ANOVA results reveal that repayment challenges vary significantly across borrower categories**,** with monthly income group showing the highest variation ($F = 7.842$, $p = 0.001$), followed by occupation ($F = 5.231$, $p = 0.003$) and educational qualification ($F = 4.167$, $p = 0.008$)**,** highlighting that socio-economic factors account for a substantial proportion of differences in repayment discipline**.**

SUGGESTIONS

- Housing finance institutions and banks should organize workshops and awareness campaigns to improve borrowers’ understanding of loan terms, EMI schedules, and interest rate impacts.
- Lenders should offer flexible EMI options based on borrowers’ income patterns, especially for self-employed or seasonal-income groups, to reduce repayment stress and delays.
- Banks and housing finance companies should strengthen communication channels, providing timely reminders, personalized assistance, and regular updates about repayment schedules.
- Encouraging auto-debit and online payment systems can help borrowers make timely EMI payments, reduce defaults, and improve overall repayment discipline.

- Institutions can design loan products tailored to the borrower's occupation, income stability, and financial capacity, such as lower EMIs for seasonal earners or step-up EMI plans for growing incomes.
- Borrowers with high household financial burdens or irregular income should be offered counseling, financial planning assistance, and early warning mechanisms to prevent default.
- Banks should regularly assess repayment patterns and use predictive models to identify borrowers at risk of default, enabling timely interventions.
- Policy interventions like interest subsidies, flexible repayment schemes, or credit counseling initiatives can assist low- and middle-income groups in meeting EMI obligations.
- Spreading awareness about the importance of timely repayment and responsible borrowing in rural and semi-urban regions can reduce defaults.
- Rewarding punctual borrowers with lower interest rates, cashback offers, or preferential loan terms can motivate timely repayment and build customer loyalty.

CONCLUSION

The present study provides a comprehensive understanding of the factors influencing home loan repayment behaviour of borrowers in Kanniyakumari District. The findings clearly indicate that repayment behaviour is not determined by a single factor, but by a combination of socio-economic characteristics, loan-related conditions, and institutional support mechanisms. Borrowers' income stability, occupation, and educational qualification significantly influence their ability to repay EMIs on time, highlighting the role of financial capacity and awareness in maintaining repayment discipline. The socio-demographic analysis further shows that middle-aged, salaried, and educated borrowers demonstrate relatively better repayment behaviour, reinforcing the importance of stable income and financial planning.

The regression results confirm that loan-related factors such as higher EMI amounts, longer loan tenure, and unfavourable interest rate types negatively affect repayment performance**,** whereas institutional factors like effective lender communication and the use of digital payment systems positively and significantly enhance repayment behaviour. This indicates that while borrowers face financial pressure due to loan structure, proactive institutional support can mitigate repayment challenges. The ANOVA results further establish that repayment challenges differ significantly across income groups, occupations, and education levels, suggesting the need for borrower-specific repayment strategies.

Overall, the study concludes that housing finance institutions must adopt a balanced approach by designing affordable loan structures while simultaneously strengthening communication, digital facilitation, and borrower education. By tailoring loan products to borrowers' socio-economic conditions and promoting financial literacy, lenders can reduce repayment stress, minimise defaults, and improve long-term financial stability. The findings offer valuable insights for banks, housing finance companies, and policymakers in formulating effective credit policies and strengthening responsible borrowing practices in Kanniyakumari District.

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