

Abstract of Doctoral Dissertation

Reverse Mortgage Loan : Perceptions of Beneficiaries with special reference to Telangana State¹

PRAVALLIKA AKULA*

I. Introduction

WITH THE GROWTH of the ageing population, old age security has become one of the prime concerns for the Indian government. The PFRDA Bill and other such measures provide a solid ground for this assumption. Even the establishment of IIMPS for micro pensions for the people of the unorganized sector is in the same direction.

All these measures are good for people who are into their working life and thus can save for their retirement now. But one of the segments which have been left is the one who are in their retirement phase and who may not have enough cash to sustain their life. Pension by Central and State Governments are not enough to sustain them. These people may not have enough income or saving in cash but may have assets which may not be providing income. This problem is converted into the business opportunity by the financial institutions. A new financial service, by name 'Reverse Mortgage', to answer this problem is introduced. The National Housing Bank, the apex body on housing finance in India, came out with its guidelines on reverse mortgage in early 2007. Some of the Public Sector Banks and one private housing finance company have already come up with their products and the market in India started growing.

A simple definition of reverse mortgage can be "A reverse mortgage is a loan available to seniors and is used to release the home equity in the property as one lump sum or multiple payments. The homeowner's obligation to repay the loan is deferred until the owner dies, the home is sold, or the owner leaves (e.g., into aged care)"

¹ The Thesis was submitted to Osmania University, Hyderabad, in December 2016, for the award of Ph.D Degree, awarded, in July 2017, under the supervision of Dr. G. Vidyanath, Senior Faculty Member, Institute of Public Enterprise, Hyderabad, Telangana 500007, INDIA

* Assistant Professor, Mahatma Gandhi University, University College of Commerce and Business Management, The Department of Management Studies, Annepary, Nalgonda, Yellareddyguda, Telangana 508254, INDIA

Submitted February 2018; Accepted March 2018