

Singles, singled out?

If you are a single woman seeking a home loan, we list out possible reasons that may delay your home-purchase process. The upcoming International Women's Day seems like an appropriate time to shed light on the subject

Noopur.Modi@timesgroup.com

If you ask a married woman what her dream home would be like, there is a possibility she would say, "I'd like it to be spicuous away from the hustle and bustle of the city wherein my family and kids can thrive happily" It seems ideal, isn't it?

Well, sceptics may say that it appears ideal, if the woman has a family, but what if she's single out of choice and harbours the same dream? According to data from the National Association of Realtors, around 25 per cent of home-buyers are working women, and 16 per cent of home-buying women are single. But there are several roadblocks that single women (working or otherwise) have to overcome, especially on the financial front. It appears currently that the presence of a significant other has the ability to make or break a woman's purchase decision. And that is a subject of much concern.

Deepali Skinda, unit head, Mahila Awas Loan Division (MALA), Aspire Home Finance Corporation Limited (AHFC), says, "Today, the Indian housing finance industry needs to gear itself for an emerging customer segment - the single working woman. By 2020, 37 million more women will be employed in the mainstream economy working across sectors of private and public organisations of corporate India." Additionally, this segment is further expanding as the growth of single women also includes separated, divorced/widowed women."

Adding to this, Shince says, "It has been a general mindset, which, at most of the times, is not backed by any solid data. It is believed that as home purchase requires a substantial amount of money, it may not be possible for



a single woman to serve the repayment throughout the loan tenure. Hence, there is an insistence of a co-applicant or guarantor in the home loan application made by single women."

Ajay Jain, head of real estate, Centrum, feels, "In India, it is seen that bankers are cautious when providing home loans to women. This is true for a housewife, wealthy/high net worth individual or even a salaried employee. Bankers get comfortable only when there is a visible three-five year consistent cash flow, which may not be applicable to high networth women or housewives." This trend is largely practiced only in India, as internationally, banks generally lend mortgage loan against a property and do not ask for personal guarantee/ co-borrower/ additional security.

Vijay Agrawal, executive director, Equirus Capital, seconds and adds, "In India, it has become a general practice to ask

for additional security. And, if it's a woman who is applying for a loan, banks tend to ask her to be accompanied by a co-borrower. And this is indeed a bias."

Unfortunately, there is a sense of fear that lenders harbour and worry that a salaried woman might quit her job to pursue other duties like marriage or raising a baby. However, the trend in urban cities is changing and women are almost at par with men, but it will take a while to alter the mindset of people. Madhuri Sen, MD and VP - India, WE Communications, who bought a home in Mumbai shares, "There seems to be this assumption that if you are 'married' or a 'family person', you are by default, a moral and law-abiding member of the society and if single, then the default assumption is that you are most likely not. It is this mindset that needs to change."

She further points out, "Well, in my case, I have seen that applying for a home loan wasn't much of a menace. Infact, banks don't care if you are a single woman or otherwise. All they care about is your CIBIL rating - if your income, after expenses including liabilities and other loans, is adequate to service the loans and if your source of income is foreseeably stable, you get the loan. However, it is a different matter altogether, when it comes to finding a house. Many buildings/societies frown upon single women and seem to be more hesitant to give a NOC, a necessary requirement to complete the purchase as well as get the final loan disbursement."

However, Manish Srivastava, chief executive officer, Muthoot Housing Finance Company Ltd, points out, "This issue has been addressed to a large extent. The government of India now runs special schemes where loans are given at concessional rates to women borrowers. Some states have reduced the stamp duty and registration charges where a woman is the primary borrower. Even with lenders, the attitude is changing where if a woman is able to support a loan on her own income, there is normally no requirement for another applicant. At times where this is the case for risk-related reasons, the treatment lent is same as for a single male borrower too."

While there have been some amendments with respect to this bias, a lot still needs to be done. We wonder, if ever a day would come when a single woman would walk into a bank and avail a home loan without any issues, for her dream abode.