Satisfaction of Education Loan Borrowers

CHAPTER VII

SATISFACTION OF EDUCATION LOAN BORROWERS

7.1 INTRODUCTION

Reserve Bank of India and Government have included the Education loan in the priority sector advances, as it is helpful in satisfying the future of millions of the students. The various process of education loan is very challenging as each borrowers of Education loan have diverged perception. The borrowers have wide choices of banks to borrow the education loan as it is a mandatory loan provided by all the public sector banks. The borrowers first prefer the banks for loan based on their financial requirements for their higher studies. The borrowers have their own perception regarding the preference of banks, effectiveness of loan and various problems on obtaining the loan. Based on these perceptions of education loan borrowers the level of satisfaction of the borrowers differs. There are number of factors affecting the satisfaction of the borrowers. Commonly factors like proper guidance to the borrowers, security demanded, processing fees, interest rate, Loan amount, adequacy of interest subsidy, Time taken for sanction and disbursement. Perception of borrowers with respect to these satisfaction factors were analysed using ANOVA, Chi-square, correlation, regression, Step-wise regression and Factor Analysis.

7.2 LEVEL OF SATISFACTION OF BORROWERS

Level of satisfaction of borrowers in availing education loan is being measured by giving scores to satisfaction related questions. Fifteen factors related to the satisfaction of borrowers are unified in the questionnaire. Responses to these factors have been rated on a five-point scale rating from Highly Dissatisfied to Highly Satisfied. The scores allotted to the responses range from one to five. Thus, the maximum score a borrower would get is 100. Score obtained by each borrower is divided by 100 and multiplied by 100 to convert it into an index. This index is called 'Satisfaction Index'. The index ranges between 49.33 and 77.33 and the grand mean of Satisfaction Index is 62.87. Based on the Satisfaction Index, the borrowers have been divided into three groups as borrowers with low, moderate and high level of Satisfaction. In order to classify the borrowers into three such groups, quartiles have been made use of. Consequently, borrowers with Satisfaction

Index ranging up to 57.45 are termed as borrowers with low level of satisfactions; those with Index ranging between 57.46 and 68.28 are termed as borrowers with moderate level of satisfactions and those borrowers with Satisfaction Index ranging above 68.29 are termed as borrowers with high level of Satisfaction. Among the 500 borrowers, 58(11.60%) are with low level of satisfaction; 437(87.4%) are with moderate level of satisfaction and the rest 5(1.00%) extend high level of satisfaction.

7.3 SATISFACTION OF BORROWERS

7.3.1 Gender

Gender is considered to be the one of the key socio-economic factor in the research. Gender is used as independent variable to measure the satisfaction among the borrowers. Gender is further divided into Male and Female respectively in order to know how far these two categories of sex influence the mean satisfaction and Level of satisfaction among the borrowers. Among the total number of 500 borrowers, there are 360 borrowers who are male and 140 borrowers who are female.

The Null hypothesis (H_o) is being edged to find out the significant mean difference between gender and satisfaction of borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of gender

Table 7.1

Gender and Satisfaction of Borrowers

Gender	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Male	360	62.94	5.36	49.33	76.00
Female	140	62.68	5.60	49.33	77.33
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:498	Calculated **'t' Value: 0.479**		At 5% level of significance **P Value: 0.632**		**Not Significant**

Source: Computed Data

The table 7.1 portrays the gender wise satisfaction of borrowers in availing the education loan. There are 360 male borrowers and 140 female borrowers in the study. The mean satisfaction index is high among male borrowers with 62.94 and is low of

62.68 among the female borrowers. The calculated P value is 0.632, which is greater than 0.05. Hence, the null hypothesis is accepted. There is no significant mean difference in the level of satisfaction and gender of education loan borrowers. The result of ANOVA infers that gender is not associated with the level of satisfaction in availing the education loan.

Chi-Square Test is being used to determine whether gender is associated with satisfaction, the following hypothesis is being framed.

H_o: *Gender is not associated with level of satisfaction*

Table 7.2

Gender and Level of Satisfaction of Borrowers

Gender	Level of Satisfaction			Total
	Low	Moderate	High	
Male	41 (11.4%)	317 (88.1%)	2 (0.6%)	360 (100.0)
Female	17 (12.1%)	120 (85.7%)	3 (2.1%)	140 (100.0)
Total	58	437	5	500
df: 2	Calculated Chi-square Value: 2.652		At 5% level of significance P Value: 0.265	Not Significant

Source: Computed Data

The table 7.2 reveals the association between gender and level of satisfaction. The percentage of borrowers with low level of satisfaction is high (11.4 per cent) among female borrowers. The percentage of borrowers with high level of satisfaction is more (2.1 per cent) among male borrowers. As the calculated P value 0.265 for chi square is greater than 0.05. Thus null hypothesis is accepted at 5% level of significance. The chi-square test deduces that there does not exist significant association between gender and level of satisfaction.

7.3.2 Age

Age is considered to be yet another important variable socio-economic factor that determines the effectiveness of loan scheme. The borrowers who have availed the education loan belongs to different age group as some of the borrowers would have

borrowed the loan for their under graduate course, some borrowers for their post-graduation and some even for their research studies. Taking all these aspects into consideration the age group of the borrowers is divided into four categories like Up to 19 years, the borrowers who are in the first year of graduation, the borrowers between 20 to 22 years, the borrowers between 23 to 25 years and the borrowers above 25 years who are generally pursuing research studies.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between Age and satisfaction of borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Age

Table 7.3

Age and Satisfaction of Borrowers

Age (in Years)	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Up to 19	112	62.34	5.28	49.33	66.67
20 – 22	196	62.62	5.71	49.33	77.33
23 – 25	150	63.44	4.99	49.33	70.67
Above 25	42	63.43	5.85	49.33	76.00
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 3, v_2 496		Calculated **F Value: 3.191**	At 5% level of significance **P Value: 0.023**		**Significant**

Source: Computed Data

The table 7.3 depicts that among 150 borrowers who are between the age group of 23 to 25 years have high mean satisfaction index with 63.44. The low level of satisfaction index with 62.34 is among the borrowers with age up to 19 years. As the calculated P value 0.023 is less than 0.05, there exists a significant mean difference among borrowers classified on the basis of age. Hence, the null hypothesis is rejected. The result of ANOVA infers that the age of borrowers is associated with their mean satisfaction.

Inference: The level of satisfaction differs with the age group as need of education loan differs with the age group. The borrowers whose age group up to 19 years would be at

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the entry level of the course have different satisfaction level regarding the factors of satisfaction and hence the other age groups who are at the middle level or at the end of the course have different satisfaction level.

Chi-square Test is being used to ascertain whether age is associated with the level of Satisfaction of Borrowers by framing the following hypothesis.

H_o: Age of the respondents is not associated with the Satisfaction of borrowers

Table 7.4

Age and Level of Satisfaction of Borrowers

Age (in Years)	Level of Satisfaction			Total
	Low	Moderate	High	
Up to 19	12 (10.7%)	100 (89.3%)	0 (0.0)	112 (100.0)
20 – 22	27 (13.8%)	168 (85.7%)	1 (0.5%)	196 (100.0)
23 – 25	14 (9.3%)	133 (88.7%)	3 (2.0%)	150 (100.0)
Above 25	5 (11.9%)	36 (85.7%)	1 (2.4%)	42 (100.0)
Total	58	437	5	500
df: 6	Calculated Chi-square Value: 5.585		At 5% level of significance P Value: 0.471	Not Significant

Source: Computed Data

The table 7.4 evidences that, among the education loan borrowers with high level of satisfaction is high (2.4 per cent) among the age above 25 years. Among the 58 borrowers with low level of satisfaction, it is high (13.8 per cent) among the age group between 20 to 22 years and low (9.3 per cent) for the age group between 23-25 years. The chi-square test construes that there exists no relationship between age and level of satisfaction as the calculated P value 0.471 for chi square is greater than 0.05 and there by null hypothesis is accepted.

7.3.3 Place of Residence

The place of residence of the borrowers is one of the important socio-economic factors which have a significant role in knowing the satisfaction of the borrowers. Though the study is restricted to the Coimbatore city, the borrowers residing in various places of the Coimbatore have borrowed the loan from the city branches of the bank. Henceforth the place of residence of the borrowers may be from rural, urban and semi-urban areas.

The Null hypothesis (H_o) is being fringed to find out the significant mean difference between the place of residence and satisfaction of borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of place of residence

Table 7.5

Place of Residence and Satisfaction of Borrowers

Residence	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Rural	56	62.76	5.70	49.33	77.33
Urban	278	62.67	5.57	49.33	76.00
Semi urban	166	63.24	5.08	49.33	69.33
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 2, v_2 497		Calculated **F Value: 0.593**	At 5% level of significance **P Value: 0.553**		**Not Significant**

Source: Computed Data

The table 7.5 reveals that the maximum mean satisfaction index (63.24) is among the borrowers whose place of residence is in semi-urban areas. Among the borrowers whose mean satisfaction index is low (62.67) are from urban areas. As the calculated P value 0.553 is greater than 0.05, there does not exists any significant mean difference among borrowers classified on the basis of place of residence. Hence, the null hypothesis is accepted. The result of ANOVA surmises that irrespective of the place of residence the borrowers have no difference with respect to their satisfaction.

Chi-Square Test is being used to determine whether place of residence is associated with Satisfaction of borrowers, the following hypothesis is being framed.

H_o: *Place of Residence is not associated with the Satisfaction of Borrowers*

Table 7.6

Place of Residence and Level of Satisfaction of Borrowers

Residence	Level of Satisfaction			Total
	Low	Moderate	High	
Rural	7 (12.5%)	48 (85.7%)	1 (1.8%)	56 (100.0)
Urban	35 (12.6%)	240 (86.3%)	3 (1.1%)	278 (100.0)
Semi urban	16 (9.6%)	149 (89.8%)	1 (0.6%)	166 (100.0)
Total	58	437	5	500
df: 4	Calculated Chi-square Value: 11.610	At 5% level of significance P Value: 0.020		Significant

Source: Computed Data

The table 7.6 shows the association between place of residence and level of satisfaction. The percentage of borrowers with low level of satisfaction is high (12.6 per cent) among the borrowers belonging to urban areas and is low (9.6 per cent) among the borrowers whose residence in semi urban. The percentage of borrowers with high level of satisfaction is also more (1.8 per cent) from rural areas. The calculated P value 0.020 for chi square is less than 0.05. Thus null hypothesis is rejected. The chi-square test infers that there exists an association between the place of residence and level of satisfaction of borrowers.

Inference: The borrowers from rural areas have high level of satisfaction in availing the education loan as the borrowers from rural area would need more assistance and finance for their education, the loan amount is easily available from the bank as it is a mandatory scheme of the Government to be provided to all the borrowers.

7.3.4 Occupation of Parents

Occupation of Parents is considered to be one of the socio-economic features in analysing the satisfaction of the borrowers. Parental occupation is considered as an important eligibility criteria in providing the education loan to the borrowers by almost all the public sector banks. Most of the education loan amount lent to the borrowers by the banks is based on their parental occupation. Taking these aspects into consideration the borrowers' occupation of parents is classified as Business, Agriculture, Salaried class and professionals.

The Null hypothesis (H_o) is being edged to find out the significant mean difference between the Occupation of parents and satisfaction of borrowers using Analysis of Variance.

H_o: *Mean satisfaction does not differ among borrowers classified on the basis Occupation of parents*

Table 7.7

Occupation of Parents and Satisfaction of Borrowers

Occupation of Parents	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Business	153	62.63	5.49	49.33	69.33
Agriculture	73	62.54	6.03	49.33	77.33
Salaried	195	62.98	5.24	49.33	76.00
Professional	79	63.37	5.22	49.33	70.67
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 3, v_2 496	Calculated F Value: 0.443	At 5% level of significance P Value:0.722			**Not Significant**

Source: Computed Data

The table 7.7 depicts that among borrowers, whose parents are professionals have high mean satisfaction index (63.37). The low mean satisfaction index (62.54) is among the borrowers, whose parents are agriculturist. As the calculated P value 0.772 is greater than 0.05, there does not exists a significant mean difference among students classified on the basis of parent occupation. Hence, the null hypothesis is accepted. It is vibrant from the result of ANOVA that the occupations of the parent of the borrowers have no significant effect on the mean satisfaction of borrowers in availing their education loan.

Chi-Square Test is being used to determine whether Occupation of parents is associated with Satisfaction the following hypothesis is being framed.

H_o: *Parent Occupation is not associated with the Satisfaction of Borrowers*

Table 7.8

Occupation of Parents and Level of Satisfaction of Borrowers

Occupation of parents	Level of Satisfaction			Total
	Low	Moderate	High	
Business	19 (12.4%)	133 (86.9)	1 (0.7%)	153 (100.0)
Agriculture	11 (15.1%)	61 (83.6%)	1 (1.4%)	73 (100.0)
Salaried	20 (10.3%)	173 (88.7%)	2 (1.0%)	195 (100.0)
Professional	8 (10.1%)	70 (88.6%)	1 (1.3%)	79 (100.0)
Total	58	437	5	500
df: 6	Calculated Chi-square Value: 1.816		At 5% level of significance P Value: 0.936	Not Significant

Source: Computed Data

The table 7.8 scrutinises the association between the occupation of parents of the borrower and level of satisfaction. The percentage of borrowers with low level of satisfaction is high (15.1 per cent) among the borrowers whose parents are doing agriculture and is low (10.1 per cent) among the borrowers whose parents are professionals. The percentage of borrowers with high level of satisfaction is high (1.3 per cent) among the borrowers of education loan whose parents are professionals and low (0.7 per cent) among the borrowers whose parental occupation is business. Thus null hypothesis is accepted as the calculated P value 0.936 for chi square is greater than 0.05. The chi-square test interprets that there exists no association between the parent occupation and level of satisfaction.

7.3.5 Household Income

Household income of the borrowers is considered to be important in the process of availing the education loan, as most of the loan amount sanctioned by the banks is based on the monthly household income provided by the borrowers. The monthly household income of the borrower is classified on equal interval of amount Up to Rs.10,000, Rs.10,000-Rs.20,000, Rs.20,001-Rs.30,000, Rs.30,001-Rs.40,000 and Above Rs.40,000. Hence household income of the borrower is considered to be one of the significant aspects for measuring the satisfaction of the borrowers.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the household incomes of the borrowers and their mean level of satisfaction using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Household Income.

Table 7.9

Household Income and Satisfaction of Borrowers

Household Income (per month)	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Up to Rs.10,000	82	62.26	5.45	49.33	77.33
Rs.10,000-Rs.20,000	170	62.79	5.53	49.33	69.33
Rs.20,001-Rs.30,000	162	62.80	5.70	49.33	76.00
Rs.30,001-Rs.40,000	56	63.45	5.03	49.33	70.67
Above Rs.40,000	30	64.31	3.63	49.33	66.67
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 4, v_2 495		Calculated **F Value: 2.965**	At 5% level of significance **P Value: 0.019**		**Significant**

Source: Computed Data

It is proven from the table 7.9 that high mean satisfaction Index (64.31) is among the borrowers having monthly household income above Rs.40,000. Among the borrowers whose mean satisfaction index is low (62.26) have monthly household income up to Rs.10,000. As the calculated P value 0.019 is less than 0.50, there exist significant mean

differences among students classified on the basis of their household income. Hence, the null hypothesis is rejected. The result of ANOVA surmises that mean satisfaction differ among borrowers classified on the basis of household income at 5% level of significance.

Chi-Square Test is being used to determine the association between Household Income and level of Satisfaction of borrowers. To support the test the following hypothesis is being framed.

H_0: *Household Income is not associated with the Satisfaction of Borrowers*

Table 7.10

Household Income and Level of Satisfaction of Borrowers

Household Income (per month)	Level of Satisfaction			Total
	Low	Moderate	High	
Up to Rs.10,000	10 (12.2%)	70 (85.4%)	2 (2.4%)	82 (100.0)
Rs.10,000-Rs.20,000	21 (12.4%)	148 (87.1%)	1 (0.6%)	170 (100.0)
Rs.20,001-Rs.30,000	21 (13.0%)	140 (86.4%)	1 (0.6%)	162 (100.0)
Rs.30,001-Rs.40,000	5 (8.9%)	50 (89.3%)	1 (1.8%)	56 (100.0)
Above Rs.40,000	1 (3.3%)	29 (96.7%)	0 (0.0)	30 (100.0)
Total	58	437	5	500
df: 8	Calculated Chi-square Value: 25.725		At 5% level of significance P Value: 0.001	Significant

Source: Computed Data

From the table 7.10 it is evident that the percentage of borrowers with high level of satisfaction is high (2.4 per cent) among the borrowers of monthly household income Up to Rs.10000. The percentage of borrowers with low level of satisfaction is more (13.0 per cent) among the borrowers of monthly household income between Rs.20,001 to Rs.30,000 and less (3.3 per cent) among the borrowers of monthly household income above Rs.40,000. The calculated P value 0.001 for chi square is less than 0.05. Thus null

hypothesis is accepted. The chi-square test proves that there exists an association between the household income of borrowers and the level of satisfaction of borrowers.

Inference: The borrowers with household monthly income up to Rs.20,000 have more satisfaction as the borrowers of low income would get loan even for low income.

7.3.6 Status of Parent as Assessee

The status of parent as assessee is taken as a factor for assessing the satisfaction of the borrowers in availing the education loan. Most of the banks are giving preference to the borrowers of education loan scheme lent by the banks among the borrowers of parents whose parents are assessee and file their income tax return regularly. Hence in order to analyse the effectiveness who are income-tax assessee and or not also considered

The Null hypothesis (H_o) is being fringed to find out the significant mean difference between the Parent Income Tax Assessee and Satisfaction of Borrowers loan among the borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Status of Parent as Assessee.

Table 7.11

Status of Parent as Assessee and Satisfaction of Borrowers

Status of Parent as Assessee	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Yes	144	62.89	5.17	49.33	66.67
No	356	62.86	5.53	49.33	77.33
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:498	Calculated 't' Value: 0.045		At 5% level of significance P Value: 0.964		**Not Significant**

Source: Computed Data

The table 7.11 portrays that among 144 student borrowers, whose parent is an Income Tax Assessee has high mean satisfaction (62.89). Among the remaining 356 borrowers, whose parent is not an Income Tax Assessee, have low mean satisfaction (62.86). As the calculated P value 0.964 is greater than 0.05, there does not exist a significant mean

difference among borrowers classified on the basis of parent income tax assessment. Hence, the null hypothesis is accepted. It is vibrant from the result of ANOVA that borrowers, whose parent is an Income Tax Assessee, have no significant effect on the satisfaction of borrowers.

Chi-Square Test is being used to determine whether borrower's Parent Income Tax Assessee or not is associated with Satisfaction the following hypothesis is being framed.

H_o: *Status of Parent as Assessee is not associated with the Satisfaction of Borrowers*

Table 7.12

Status of Parent as Assessee and Level of Satisfaction of Borrowers

Status of Parent as Assessee	Level of Satisfaction			Total
	Low	Moderate	High	
Yes	15 (10.4%)	129 (89.6%)	0 (0.0)	144 (100.0)
No	43 (12.1%)	308 (86.5%)	5 (1.4%)	356 (100.0)
Total	**58**	**437**	**5**	**500**
df: 2	Calculated **Chi-square Value: 2.377**		At 5% level of significance **P Value: 0.305**	**Not Significant**

Source: Computed Data

From the above table 7.12 it is clear that the percentage of borrowers with high level of satisfaction is high (1.4 per cent) among the borrowers of parents who is not an Income tax assessee. The percentage of borrowers with low level of satisfaction is more (12.1 per cent) among the borrowers whose parent is not an Income tax assessee. As the calculated P value 0.305 for chi square is more than 0.05 the null hypothesis is accepted. The chi-square test deduces that there exists no relationship between the parent's income tax assessment and level of satisfaction.

7.3.7 Nature of Institution

The meritorious students usually get admitted in Government colleges and aided colleges with good reputation. Most of the banks prefer to give loan to these borrowers who get admission in the reputed institution with good marks. Other students are generally admitted to the courses in unaided colleges. However the fees collected in these colleges are hefty that the borrowers studying in these institutions need more financial assistance which is possible through education loan. Hence it becomes all the more important to know the satisfaction of the borrowers based on the nature of institution in which the borrowers are pursuing their course. The nature of institution in which the borrowers are studying may be Government, aided and unaided colleges.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the Nature of Institution where the borrowers are studying and Satisfaction of Borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Nature of Institution

Table 7.13

Nature of Institution and Satisfaction of Borrowers

Nature of Institution	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Government	58	63.03	5.47	49.33	76.00
Aided	304	62.81	5.32	49.33	77.33
Unaided	138	62.94	5.67	49.33	68.00
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:ν_1 2, ν_2 497		Calculated F Value: 0.055	At 5% level of significance P Value: 0.947		**Not Significant**

Source: Computed Data

The table 7.13 depicts that among 58 borrowers, who studies in Government colleges have high mean satisfaction (63.03) in availing education loan. Among 304 borrowers, who study in aided colleges, have low mean satisfaction (62.81). As the calculated P value 0.947 is less than 0.05 at 5% level of significance, there does not exists

significant mean difference among the borrowers classified on the basis of nature of institution. Hence, the null hypothesis is accepted. It is clear from the result of ANOVA that nature of institution where the borrowers are studying have no significant effect on the satisfaction of borrowers.

Chi-Square Test is being used to determine whether Nature of Institution is associated with the Satisfaction, the following hypothesis is being framed.

H_o: *Nature of Institution is not associated with the Satisfaction of Borrowers*

Table 7.14

Nature of Institution and Level of Satisfaction of Borrowers

Nature of Institution	Level of Satisfaction			Total
	Low	Moderate	High	
Government	6 (10.3%)	51 (87.9%)	1 (1.7%)	58 (100.0)
Aided	34 (11.2%)	266 (87.5%)	4 (1.3%)	304 (100.0)
Unaided	18 (13.0%)	120 (87.0%)	0 (0.0)	138 (100.0)
Total	**58**	**437**	**5**	**500**
df: 4	Calculated **Chi-square Value: 2.365**		At 5% level of significance **P Value: 0.669**	**Not Significant**

Source: Computed Data

The table 7.14 depicts that the percentage of borrowers with high level of satisfaction is high (1.7 per cent) among the borrowers studying in Government colleges. The percentage of borrowers with low level of satisfaction is high (13.0 per cent) among the borrowers studying in unaided colleges and low (10.3 per cent) among the borrowers studying in Government colleges. As the calculated P value 0.669 for chi square is more than 0.05, the null hypothesis is accepted. The chi-square test comprehends that there exists no association between the nature of institution where the borrowers are studying and level of satisfaction.

7.3.8 First Graduation

First graduation borrowers are those students who pursue higher education or graduation for the time in the family which means that there are no graduates in his family including his siblings. First graduation certificate is issued by the Tahsildar of the respective taluk. The first graduates can get the certificate and the benefits of first graduation from the respective taluks. First graduates are generally given scholarship and concession on fees as it helps them to get better access to higher education and their families are assured with good education. Hence, First graduation borrowers is considered as one of the socio-economic factor in knowing the satisfaction of the borrowers as the education loan helps them greatly in achieving their higher education dream .

Significant mean difference regarding Satisfaction of Borrowers is analysed using ANOVA with a null hypothesis (H_o) to determine the mean difference among the first graduation borrowers.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of First Graduation

Table 7.15

First Graduation and Satisfaction of Borrowers

First Graduation	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Yes	112	63.07	5.16	49.33	77.33
No	388	62.81	5.50	49.33	76.00
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:498	Calculated 't' Value: 2.441		At 5% level of significance P Value: 0.014		**Significant**

Source: Computed Data

The table 7.15 reveals that the maximum mean satisfaction index (63.07) is among the 122 borrowers who are first graduates in the family. The borrowers whose mean satisfaction index is low (62.81) are not first graduates in the family. As the calculated P value 0.014 is less than 0.05, there exists significant mean difference among

borrowers classified on the basis of first graduation. Hence, the null hypothesis is rejected. The result of ANOVA surmises that the borrowers who are first graduates in the family have an association with their mean satisfaction.

Chi-Square Test is being used to determine whether First Graduate borrowers is associated with satisfaction, the following hypothesis is being framed

H_o: *First graduation borrowers is not associated with the Satisfaction of Borrowers*

Table 7.16

First Graduate and Level of Satisfaction of Borrowers

First Graduation	Level of Satisfaction			Total
	Low	Moderate	High	
Yes	11 (9.8%)	100 (89.3%)	1 (0.9%)	112 (100.0)
No	47 (12.1%)	337 (86.9%)	4 (1.0%)	388 (100.0)
Total	**58**	**437**	**5**	**500**
df: 2	Calculated **Chi-square Value: 0.469**		At 5% level of significance **P Value: 0.791**	**Not Significant**

Source: Computed Data

The table 7.16 shows the association of first graduate borrowers with the level of satisfaction. The percentage of borrowers with low level of satisfaction is more (12.1 per cent) among the borrowers who are not first graduate in their family. The percentage of borrowers with high level of satisfaction is more (1 per cent)) among the borrowers who are not first graduate in their family. The calculated P value 0.791 for chi square is greater than 0.05 and thus null hypothesis is accepted. The chi-square test implies that there is no association between first graduation of borrowers and their satisfaction level.

7.3.9 Types of Banks

It is necessary to analyse the satisfaction of the borrowers among the borrowers of select public sector banks namely State Bank of India, Canara Bank, Indian Overseas Bank, Indian Bank and Punjab National Bank as these are the major public sector banks in lending the education loan to the borrowers. Hence various factors regarding the

satisfaction of the borrowers of these banks are considered for analysing the satisfaction of borrowers in the public sector banks.

Significant mean difference regarding satisfaction of borrowers is analysed using ANOVA with a null hypothesis (H_o) to determine the difference in types of banks among the borrowers.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Types of banks

Table 7.17

Types of Banks and Satisfaction of Borrowers

Types of Banks	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
SBI	100	63.65	4.97	49.33	76.00
Canara Bank	100	62.35	5.97	49.33	77.33
Indian Overseas Bank	100	61.81	5.99	49.33	66.67
Indian Bank	100	62.96	5.31	49.33	70.67
Punjab National Bank	100	63.59	4.64	49.33	66.67
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 4, v_2 495		Calculated F Value: 2.166	At 5 % level of significance P Value: 0.072		**Not Significant**

Source: Computed Data

The table 7.17 reveals that the maximum mean satisfaction index (63.65) is among the borrowers of State Bank of India and is low (61.81) among the borrowers of Indian Overseas Bank. As the calculated P value 0.072 is greater than 0.05, there does not exist any mean difference among the borrowers classified based on the types of banks. Hence, the null hypothesis is accepted. The result of ANOVA surmises that the borrowers of different banks do not make any significance differences in the mean satisfaction of borrowers.

Chi-Square Test is being used to determine whether borrowers of different types of banks are associated with the satisfaction, the following hypothesis is being framed.

H₀: Borrowers of various banks is not associated with the Satisfaction of Borrowers

Table 7.18

Types of Banks and Level of Satisfaction of Borrowers

Types of Bank	Level of Satisfaction			Total
	Low	Moderate	High	
State Bank of India	8 (8.0%)	90 (90.0%)	2 (2.0%)	100 (100.0)
Canara Bank	14 (14.0%)	84 (84.0%)	2 (2.0%)	100 (100.0)
Indian Overseas Bank	16 (16.0%)	84 (84.0%)	0 (0.0%)	100 (100.0)
Indian Bank	11 (11.0%)	88 (88.0%)	1 (1.0%)	100 (100.0)
Punjab National Bank	9 (9.0%)	91 (91.0%)	0 (0.0%)	100 (100.0)
Total	**58**	**437**	**5**	**500**
df: 8	Calculated **Chi-square Value: 8.391**		At 5 % level of significance **P Value: 0.396**	**Not Significant**

Source: Computed Data

The table 7.18 shows the association of borrowers of various banks with the level of satisfaction. The percentage of borrowers with low level of satisfaction is more (16.0 per cent) among the borrowers of Indian Overseas bank and less (8.0 per cent) among the borrowers of State Bank of India. The percentage of borrowers with high level of satisfaction is more (2.0%) among the borrowers of both State Bank of India and Canara bank. The calculated P value 0.396 for chi square is greater than 0.05 and thus null hypothesis is accepted. The chi-square test implies that there is no association between the borrowers of different types of banks and level of satisfaction.

7.3.9 Security Pledged

In general practice security pledged for loan is considered to be one of the major criteria for any loan amount. No loan is given without any security. But Education Loan is exceptional to these criteria. Hence security pledged to the bank for the loan amount is

considered to be the one of the factor for analysing the satisfaction of the borrowers of education loan. Depending on the loan amount, the security pledged by the borrowers differs. The security pledged for Education loan is classified as per the directives of RBI is classified as NO security for loan amount up to Rs.4 Lakh, Third party guarantee for loan amount between Rs.4,00,001 to Rs7,50,000, pledge of property for the loan amount above Rs.7,50,000 and any other security as demanded by the managers of the bank.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the securities pledged for education loan by borrowers and Satisfaction of Borrowers using Analysis of Variance.

H_o: *Mean satisfaction does not differ among borrowers classified on the basis of Security Pledged.*

Table 7.19

Security Pledged and Satisfaction of Borrowers

Security Pledged	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
No Security	84	62.27	5.75	49.33	69.33
Third Party Guarantee	237	62.64	5.53	49.33	70.67
Pledge of Property	153	63.41	5.16	49.33	77.33
Others	26	63.79	4.83	49.33	66.67
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 3, v_2 496		Calculated **F Value: 3.242**	At 5% level of significance **P Value: 0.022**		**Significant**

Source: Computed Data

The table 7.19 illustrates that among 26 borrowers, who have borrowed education loan with pledge of other securities like fixed deposit receipt, share deposit have high mean satisfaction index (63.79). Among 84 borrowers, who have not given any security for education loan, have low mean satisfaction index (62.27). As the calculated P value 0.022 is less than 0.05 at 5% level of significance, there exists significant mean difference among borrowers classified on the basis of security. Hence, the null hypothesis

is rejected. It is clear from the result of ANOVA that securities offered by borrowers for education loan have significant effect on the mean satisfaction of borrowers.

Chi-Square Test is being used to determine whether security pledged is associated with satisfaction, the following hypothesis is being framed.

H_o: *Security pledged is not associated with the Satisfaction of Borrowers*

Table 7.20

Security Pledged and Level of Satisfaction of Borrowers

Security Pledged	Level of Satisfaction			Total
	Low	Moderate	High	
No Security	12 (14.3%)	71 (84.5%)	1 (1.2%)	84 (100.0)
Third Party Guarantee	30 (12.7%)	206 (86.9%)	1 (0.4%)	237 (100.0)
Pledge of Property	14 (9.2%)	136 (88.9%)	3 (2.0%)	153 (100.0)
Others	2 (7.7%)	24 (92.3%)	0 (0.0)	26 (100.0)
Total	58	437	5	500
df: 6	Calculated Chi-square Value: 14.576		At 5% level of significance P Value: 0.023	Significant

Source: Computed Data

The table 7.20 shows the association the types of security pledged by the borrowers to the bank for education loan with the level of satisfaction. The percentage of borrowers with low level of satisfaction is more (14.3 per cent) among the borrowers who have not given security to the bank for their loan and less (7.7 per cent) among the borrowers who have given other securities like pledge of Fixed Deposit, Share Certificates, etc. The percentage of borrowers with high level of satisfaction is more (2.0 per cent) among the borrowers who have pledge their property to the bank for their education loan they have borrowed. As the calculated P value 0.023 for chi square is less than 0.05, null hypothesis is rejected. The chi-square test implies that there is association between the types of securities pledged by the borrowers for education loan and level of satisfaction.

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Inference: The security pledged for education loan have significant difference on the level of satisfaction, as the borrowers giving pledge of property, third party guarantee as security needs sufficient time to arrange these securities.

7.3.10 Loan Amount Borrowed

The Model Education Loan scheme framed by IBA has certain limit regarding the loan amount to be lent to the borrowers of Education Loan in India. Generally the maximum loan amount for pursuing higher education in India is Rs.7.5 lakhs. But in certain condition education loan amount can be extended above Rs.7.5 lakhs depending on the course and the institution where they are learning their course. The loan amount taken for analysing the satisfaction of the borrowers is based on the category of loan amount as specified by the RBI in the model education loan scheme. The loan amount that can be borrowed as education loan are classified as loan amount up to Rs.4,00,000 loan amount between Rs.4,00,001 to Rs.7,50,000 and the loan amount above Rs.7,50,000.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the Loan amount borrowed and Satisfaction of Borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Loan amount borrowed

Table 7.21

Loan Amount Borrowed and Satisfaction of Borrowers

Loan Amount Borrowed	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Up to Rs. 4,00,000	95	62.53	5.49	49.33	66.67
Rs.4,00,001 – Rs.7,50,000	239	62.65	5.67	49.33	77.33
Above Rs. 7,50,000	166	63.38	5.00	49.33	76.00
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 2, v_2 497		Calculated **F Value: 1.116**	At 5% level of significance **P Value: 0.328**		**Not Significant**

Source: Computed Data

The table 7.21 illustrates that among 166 borrowers, who have borrowed amount above Rs.7,50,000, have high mean satisfaction (63.38) in availing education loan. Among 95 borrowers, who have borrowed amount up to Rs.4,00,000, have low mean satisfaction (62.53). As the calculated P value 0.328 is greater than 0.05 at 5% level of significance, there is no significant mean difference among borrowers classified on the basis of loan amount borrowed. Hence, the null hypothesis is accepted. It is clear from the result of ANOVA that loan amount borrowed for their education have no significant effect on the level of satisfaction of borrowers.

Chi-Square Test is being used to determine whether the loan amount borrowed for education loan is associated with satisfaction, the following hypothesis is being framed.

H_o: *Loan amount borrowed is not associated with the Satisfaction of Borrowers*

Table 7.22

Loan Amount Borrowed and Level of Satisfaction of Borrowers

Loan Amount Borrowed	Level of Satisfaction			Total
	Low	**Moderate**	**High**	
Up to Rs. 4,00,000	12 (12.6%)	83 (87.4%)	0 (0.0)	95 (100.0)
Rs. 4,00001 – Rs.7,50,000	31 (13.0%)	205 (85.8%)	3 (1.3%)	239 (100.0)
Above Rs.7,50,000	15 (9.0%)	149 (89.8%)	2 (1.2%)	166 (100.0)
Total	**58**	**437**	**5**	**500**
df: 4	Calculated **Chi-square Value: 2.768**		At 5% level of significance **P Value: 0.597**	**Not Significant**

Source: Computed Data

The table 7.22 shows the association of loan amount borrowed for education loan with the level of satisfaction. The percentage of borrowers with low level of satisfaction is more (13.0 per cent) and the percentage of borrowers with high level of satisfaction is more (1.3 per cent) among the borrowers who have borrowed loan amount between Rs.4,00,001 to Rs.7,50,000. The calculated P value 0.597 for chi square is greater than 0.05 and thus null hypothesis is accepted. The chi-square test implies that there is no association between loan borrowed and level of satisfaction.

7.3.11 Loan Amount Demanded

The requirement of loan amount differs in accordance with the course they have taken and the total course fees. The borrowers usually demand for the loan amount which will be equal to the total amount of expenses spent for their courses. But in reality all the borrowers cannot get the loan amount demanded, as the banks has certain restriction regarding the expenses spent for the course that can be lent as the loan amount. Henceforth, it is all more important to examine the satisfaction of the borrowers who have received the loan amount demanded or not.

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the Loan amount demanded by the borrowers and Satisfaction of Borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis of Loan amount demanded

Table 7.23

Loan Amount Demanded and Satisfaction of Borrowers

Loan Amount Demanded	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Yes	328	62.84	5.43	49.33	77.33
No	172	62.92	5.42	49.33	66.67
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:498	Calculated 't' Value: 0.151		At 5% level of significance P Value: 0.880		**Not Significant**

Source: Computed Data

The table 7.23 depicts among 172 borrowers, who have not received the loan amount demanded, have high mean satisfaction (62.92) in availing the education loan. Among the 328 borrowers, who have received the loan amount demanded; have low level of satisfaction (62.84). As the calculated P value 0.163 is greater than 0.05 at 5% level of significance, there exists no significant mean difference among borrowers classified on the basis of loan amount demanded. Hence, the null hypothesis is accepted. It is clear from the result of ANOVA that borrowers who have received the loan amount demanded have no significant effect on the mean satisfaction.

Chi-Square Test is being used to determine whether demanded loan amount is received is associated with satisfaction, the following hypothesis is being framed.

H_o: *Loan amount demanded is not associated with the Satisfaction of Borrowers*

Table 7.24

Loan Amount Demanded and Level of Satisfaction of Borrowers

Loan Amount Demanded	Level of Satisfaction			Total
	Low	Moderate	High	
Yes	38 (11.6%)	285 (86.9%)	5 (1.5%)	328 (100.0)
No	20 (11.6%)	152 (88.4%)	0 (0.0)	172 (100.0)
Total	**58**	**437**	**5**	**500**
df: 2	Calculated **Chi-square Value: 7.650**		At 5% level of significance **P Value: 0.022**	**Significant**

Source: Computed Data

The table 7.24 shows the association of loan amount demanded with the level of satisfaction. The percentage of borrowers with low level of satisfaction is equal (11.6 per cent) among the borrowers who have received the loan amount demanded and who have not received the loan amount demanded. The percentage of borrowers with high level of satisfaction is more (1.5 per cent) among the borrowers who have received the loan amount demanded. The calculated P value 0.022 for chi square is less than 0.05 and thus null hypothesis is rejected. The chi-square test implies that there is association between loan amount demanded and level of satisfaction.

Inference: *The borrowers who have received the loan amount demanded would naturally have more satisfaction as they would have received the expected amount and would met the almost all the expenses on education with the loan amount.*

7.3.12 Percentage of Loan

The Null hypothesis (H_o) is being framed to find out the significant mean difference between the Percentage of loan borrowed on total fees and Satisfaction of Borrowers using Analysis of Variance.

H_o: Mean satisfaction does not differ among borrowers classified on the basis Percentage of loan borrowed on total fees

Table 7.25

Percentage of Loan and Satisfaction of Borrowers

Percentage of Loan on Total Fees	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Up to 25	4	56.00	8.00	49.33	65.33
25 – 50	77	63.03	5.68	49.33	66.67
50 – 75	162	63.32	4.70	49.33	76.00
Above 75	257	63.64	5.68	49.33	77.33
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 3, v_2 496		Calculated F Value: 2.717	At 5% level of significance P Value: 0.044		**Significant**

Source: Computed Data

The table 7.25 illustrates that among 257 borrowers, who have received above 75 per cent of loan on total fees have high mean satisfaction index (63.64). Among 4 borrowers, who have received up to 25 per cent of loan on total fees, have low mean satisfaction index (56.00) towards education loan. As the calculated P value 0.044 is less than 0.05 at 5% level of significance, there exists significant mean difference among borrowers classified on the basis of percentage of loan borrowed on total fees. Hence, the null hypothesis is rejected. It is clear from the result of ANOVA that percentage of loan borrowed on total fees by the borrowers have significant effect on the mean satisfaction of borrowers.

Chi-Square Test is being used to determine whether percentage of loan on total fees is associated with satisfaction, the following hypothesis is being framed.

H_o: Percentage of loan is not associated with the Satisfaction of Borrowers

Table 7.26

Percentage of Loan and Level of Satisfaction of Borrowers

Percentage of Loan on Total Fees	Level of Satisfaction			Total
	Low	**Moderate**	**High**	
Up to 25	2 (50.0%)	2 (50.0%)	0 (0.0)	4 (100.0)
25 – 50	10 (13.0%)	67 (87.0%)	0 (0.0)	77 (100.0)
50 – 75	12 (7.4%)	149 (92.0%)	1 (0.6%)	162 (100.0)
Above 75	34 (13.2%)	219 (85.2%)	4 (1.6%)	257 (100.0)
Total	**58**	**437**	**5**	**500**
df: 6	Calculated Chi-square Value: 13.269		At 5% level of significance P Value: 0.039	**Significant**

Source: Computed Data

The table 7.26 shows the association of percentage of loan borrowed on the total fees borrowers with the level of satisfaction. The percentage of borrowers with low level of satisfaction is more (50 per cent) among the borrowers who have got loan amount up to 25 per cent) on the total fees and less (7.4 per cent) among the borrowers who have got loan amount between 50 per cent to 75 per cent on the total fees. The percentage of borrowers with high level of satisfaction is more (1.6 per cent) among the borrowers who have got loan amount above 75 per cent on the total fees. The calculated P value 0.039 for chi square is greater than 0.05 and thus null hypothesis is rejected. The chi-square test implies that there is association between percentage of loan on total fees and level of satisfaction.

Inference: The borrowers who have received the loan amount above 75% on total fees have high level of satisfaction as they have received the maximum amount they had spent on education as loan. The person who received the maximum loan amount is highly satisfied than the borrowers who have received loan amount up to 25% on total fees.

7.3.13 Effectiveness on Satisfaction of Borrowers

The null hypothesis is being edged to find the significant mean difference between effectiveness of education loan and satisfactions of the borrowers in availing the education loan using Analysis of Variance.

H_o: *Mean effectiveness of education loan does not differ significantly among borrowers on the basis of satisfaction of borrowers in availing education loan.*

Table 7.27

Effectiveness of Education Loan and Satisfaction of Borrowers

Effectiveness	Numbers	Satisfaction	Standard Deviation	Minimum	Maximum
Low	99	54.25	5.52	49.33	65.33
Moderate	285	64.80	2.88	49.33	77.33
High	116	65.48	1.04	65.33	76.00
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 2, v_2 497		Calculated **F Value: 419.043**	At 5% level of significance **P Value: 0.000**		**Significant**

Source: Computed Data

It is evidence from the table 7.27 that, borrowers, mean satisfaction index is high (65.48) with high mean effectiveness of education loan and is low (54.25) with low mean effectiveness of education loan. As the calculated P value 0.000 is less than the 0.05 and 0.01, there exist significant mean differences on effectiveness on satisfaction of borrowers. Hence the null hypothesis is rejected for the effectiveness on satisfaction of borrowers both at 5% and 1% level of significance. The ANOVA result proves that there exist strong association between the mean effectiveness of education loan and the mean satisfaction of borrowers in availing the education loan.

Chi-Square Test is being used to determine whether effectiveness of education loan is associated with level of satisfaction, the following hypothesis is being framed.

H_o: *Level of Effectiveness is not associated with level of satisfaction*

Table 7.28

Effectiveness of Education Loan and Level of Satisfaction of Borrowers

Effectiveness	Level of Satisfaction			Total
	Low	Moderate	High	
Low	56 (56.6%)	43 (43.4%)	0 (0.0)	99 (100.0)
Moderate	2 (0.7%)	279 (97.9%)	4 (1.4%)	285 (100.0)
High	0 (0.0)	115 (99.1%)	1 (0.9%)	116 (100.0)
Total	58	437	5	500
df: 4	Calculated Chi-square Value: 243.988	At 5% level of significance P Value: 0.000		Significant

Source: Computed Data

From the above table 7.28 it clearly depicts that students, who perceive high level of effectiveness in education loan scheme have high level of satisfaction. Students, who perceive low level of effectiveness on education loan scheme, have low level of satisfaction. As the calculated P value 0.000 is less than 0.01, there exists a highly significant association between effectiveness and level of satisfaction. Hence, the null hypothesis is rejected. The chi-square result proves that there exist strong association between the satisfaction of education loan and the satisfaction of borrowers in availing the education loan.

Borrowers who perceive high level of effectiveness on education loan have high level of satisfaction and borrowers who perceive low level of effectiveness on education loan scheme have low level of satisfaction.

7.3.14 Level of Problem on Satisfaction of Borrowers

The null hypothesis is being edged to find the significant mean difference between problems of education loan borrowers and satisfactions of the borrowers in education loan using Analysis of Variance.

H_o: Mean problem of borrowers does not differ significantly among them on the basis of satisfaction of borrowers in availing education loan.

Table 7.29

Problem of Education Loan and Satisfaction of Borrowers

Problem	Number of Borrowers	Satisfaction Index	Standard Deviation	Minimum	Maximum
Low	90	65.57	5.23	49.33	62.67
Moderate	281	64.66	2.71	54.67	70.67
High	129	53.42	1.56	60.00	77.33
Total	**500**	**62.87**	**5.42**	**49.33**	**77.33**
df: .:v_1 2, v_2 497		Calculated **F Value: 510.497**		Calculated **P Value: 0.000**	**Significant**

Source: Computed Data

The above table 7.29 clearly depicts that, borrowers, mean satisfaction index is high (65.57) with low mean problem and mean satisfaction is low (53.42) with high mean problem. As the calculated P value 0.000 is less than the 0.05 and 0.01, there exist significant mean differences between the mean problem of borrowers and mean satisfaction of borrowers. Hence the null hypothesis is rejected for the problem on satisfaction of borrowers both at 5% and 1% level of significance. The ANOVA result illustrates that there exist an association between the problem of borrowers and the satisfaction of borrowers in availing the education loan.

Chi-Square Test is being used to determine whether problem of borrowers is associated with level of satisfaction, the following hypothesis is being framed.

H_o: Problem of Borrowers is not associated with level of satisfaction

Table 7.30 evidences that borrowers, who perceive high level of problem in availing education loan, have high level of satisfaction. Borrowers, who perceive low level of problem, have low level of satisfaction.

Table 7.30

Problem of Education Loan and Level of Satisfaction of Borrowers

Level of Problem	Level of Satisfaction			Total
	Low	Moderate	High	
Low	56 (62.2%)	34 (37.8%)	0 (0.0)	90 (100.0)
Moderate	2 (0.7%)	276 (98.2%)	3 (1.1%)	281 (100.0)
High	0 (0.0)	127 (98.4%)	2 (1.6%)	129 (100.0)
Total	58	437	5	500
Df: 4	Calculated Chi-square Value: 274.732		At 5% level of significance P Value: 0.000	Significant

Source: Computed Data

As the calculated P value 0.000 is less than 0.01, there exists a highly significant association between problem and level of satisfaction. Hence, the null hypothesis is rejected. The chi-square result proves that there exist strong association between the problem of borrowers and the satisfaction of borrowers in availing the education loan.

Borrowers who have more problems in availing the education loan have low level of satisfaction and borrowers who have fewer problems in availing the education loan have high level of satisfaction.

7.4 VARIABLES ASSOCIATED WITH SATISFACTION - CORRELATION ANALYSIS

In order to examine the nature and quantum of association of variables with borrowers' satisfaction correlation analysis is used. Variables considered for Chi-square have been considered for Correlation test too. From the below table 7.31, it is clear that, out of fifteen variables selected for correlation analysis, five variables have been found to be significant. Household Income, Security pledged, Loan amount demanded, Effectiveness of Education loan scheme and problems associated with education loan are found to be significant at one per cent level.

Table 7.31

Variables Associated with Satisfaction- Correlation Analysis

Variables	r	r^2
Gender	-0.021	0.000
Age	0.079	0.006
Residence	0.040	0.002
Parent Occupation	0.047	0.002
Household Income	0.098*	0.009
Parent Income Tax Assessee	-0.002	0.000
Nature of Institution	0.000	0.000
First Graduation	-0.020	0.000
Types of Banks	0.013	0.000
Security Pledged	0.094*	0.009
Loan Amount Borrowed	0.061	0.004
Loan Amount Demanded	0.097*	0.009
Percentage of Loan on Tuition Fees	-0.007	0.000
Effectiveness	0.648**	0.421
Problem	- 0.729**	0.531

Source: Computed Data   ** Significant at 5% level ** Significant at 1% level*

7.4.1 Household Income

Household Income and Satisfaction are positively correlated. This shows that level of satisfaction is more with respect to the household income. The coefficient of determination (r^2) shows that household income accounts for 0.90 per cent of the variation in the level of satisfaction.

7.4.2 Security Pledged

Security pledged and Satisfaction is positively correlated. This shows that level of satisfaction is more with respect to the security offered for the loan. The coefficient of determination (r^2) shows that security offered accounts for 0.90 per cent of the variation in the level of satisfaction.

7.4.3 Loan Amount Demanded

Loan amount demanded and Satisfaction are positively correlated. This shows that level of satisfaction is more with respect to the loan amount demanded. The coefficient of determination (r^2) shows that the loan amount demanded accounts for 0.90 per cent of the variation in the level of satisfaction.

7.4.4 Effectiveness

Effectiveness and Satisfaction are positively correlated. Borrowers' who have high level of perception towards education loan scheme have high level of satisfaction. The coefficient of determination (r^2) shows that effectiveness towards education loan accounts for 42.10 per cent of the variation in the level of satisfaction.

7.4.5 Problem

Problem and Satisfaction are negatively correlated. Borrowers', who perceive low level of problem is associated on availing education loan, have high level of satisfaction. The coefficient of determination (r^2) shows that problem on availing education loan accounts for 53.10 per cent of the variation in the level of satisfaction.

7.5 DETERMINANTS OF SATISFACTION - MULTIPLE REGRESSION ANALYSIS

In order to find out the variables that determine borrowers' satisfaction, all the variables included for correlation analysis have been regressed on borrowers' satisfaction Index. The following regression equation has been framed to ascertain the impact of the variables on borrowers' satisfaction. Effectiveness of education loan scheme and problems associated with education loan are found to be significant at one per cent level.

$$SS = a + b_1 \, GEN + b_2 \, AGE + b_3 \, R + b_4 \, PO + b_5 \, HI + b_6 \, PITA + b_7 \, NI + b_8 \, FG + b_9 \, B + b_{10} \, SO + b_{11} \, LAB + b_{12} \, LAD + b_{13} \, LTF + b_{14} \, Eff + b_{15} \, Pr + e$$

where,

CS	=	Customer Satisfaction
a	=	Intercept Term
$b_1....b_{15}$	=	Regression Coefficients
GEN	=	Gender

Variable		Definition
AGE	=	Age
R	=	Place of Residence
PO	=	Occupation of Parent
HI	=	Household Income (per Month)
PITA	=	Status of Parent Assessee
NI	=	Nature of Institution
FG	=	First Graduate
B	=	Types of Banks
SO	=	Security Pledged
LAB	=	Loan Amount Borrowed
LAD	=	Loan Amount Demanded
LTF	=	% ge of Loan on Total Fees
Eff	=	Effectiveness
Pr	=	Problem
e	=	Error Term

The table 7.32 exhibits the various determinants that differs significantly with the satisfaction of the borrowers using Multiple Regression Analysis

Table 7.32

Determinants of Satisfaction- Multiple Regression Analysis

Variables	Regression Coefficient	Standard Error	T
Gender	-0.023	0.378	-0.061
Age	0.376	0.195	1.931
Place of Residence	0.405	0.292	1.388
Occupation of Parents	0.182	0.179	1.015
Household Income (per Month)	-0.055	0.198	-0.279
Status of Parent as Assessee	0.038	0.436	0.088
Nature of Institution	-0.106	0.304	-0.348

Variables	Regression coefficient	Standard error	T
First Graduation	-0.424	0.455	-0.932
Bank	0.036	0.116	0.306
Security Pledged	0.566	0.374	1.516
Loan Amount Borrowed	-0.134	0.411	-0.327
Loan Amount Demanded	-0.291	0.492	-0.593
Percentage of Loan on Total Fees	0.135	0.310	0.434
Effectiveness	0.163**	0.058	2.818
Problem	-0.379**	0.033	11.528

Source: Computed Data   ** Significant at five per cent level*   *** Significant at one per cent level*

Constant   : 29.986

Std. Error of Estimate   : 3.574

$\overline{R}^2$: 0.539

R^2 : 0.553**

7.5.1 Effectiveness

Borrowers' who have high level of effectiveness towards education loan scheme have high level of satisfaction. The regression coefficient indicates that effectiveness of the highly influences the satisfaction of the borrowers. The value of regression coefficient indicates that a unit of increase in the level of effectiveness shall increase the satisfaction by 0.163 units.

7.5.2 Problem

Problem of borrowers have greater influence on the satisfaction of the borrowers. Borrowers', who perceive to have fewer problems, have more satisfaction level. The regression coefficient value exhibits that a unit of increase in the level of problem shall decrease the satisfaction of borrowers by 0.379 units.

The value of R^2 is found to be significant at one per cent level. This shows that the regression equation framed is a good fit. The value of R^2 indicates that around 55.3 per cent of variations in satisfaction of borrowers are due to the selected variables.

7.6 VARIABLES PROMINENTLY ASSOCIATED WITH SATISFACTION- STEP-WISE REGRESSION ANALYSIS

To find out variables that are prominently associated with Satisfaction, step-wise regression is carried out.

Table 7.33

Variables Prominently Associated with Satisfaction- Step-Wise Regression Analysis

Step	Constant	Problem	Effectiveness	Security Pledged	R^2
1	39.548	0.455			0.531
2	31.473	0.372	0.179		0.540
3	30.816	0.376	0.170	0.493	0.545

Source: Computed Data

From the table 7.33 it is clear that, stepwise regression is adopted to find out the variables prominently associated with satisfaction**.** In the first step, the variable 'Problem' has been introduced. This variable contributes 53.10 per cent to the variation in Satisfaction. 'Effectiveness' is the variable introduced in step two. This variable, along with 'Problem', accounts for 54.00 per cent of variation in Satisfaction. The contribution has increased by 9.00 per cent. 'Security Pledged', a third variable, has increased the contribution from 54.00 per cent to 54.50 per cent. The total contribution of the three variables namely, (i) Problem (ii) Effectiveness and (iii) Security Pledged amounts to 54.50 per cent. The R^2 value of the multiple regression amounts to 55.30 per cent. The difference of 0.80 per cent is due to contribution by other variables.

7.7 SATISFACTION OF BORROWERS – FACTOR ANALYSIS

To ascertain the prominent factors that enhance satisfaction among borrowers in availing the education loan factor analysis is employed. In order to ascertain whether the data is adequate for employing factor analysis, Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity have been employed. The result of KMO and Bartlett's Test is found greater than 0.70. Hence, the collected data is fit for employing the factor analysis. Further, the large values of Bartlett's sphercity test (20739.12, df: 105 Sig=0.000) and KMO statistics (0.729) indicated the appropriateness of factor analysis.

Table 7.34

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	20739.12
	Df	105
	Sig.	.000

Source: Computed Data

The Kaiser-Meyer-olkin (KMO) test is a measure to indicate how well the sample data is suitable to carry out the factor analysis. The test is used to measure the sampling adequacy for each variable in the model. Bartlett's test is used determine the matrix of the sum of products and cross products (S) from which the inter correlation matrix is arrived which is converted into chi-square test and tested for significance. From the table 7.34, it is evident that KMO and Bartlett's test is adopted for proceeding factor analysis, it is found that the KMO measure of sampling adequacy is 0.729, Bartlett's Test of Sphericity is 20739.12, and it is significant both at 5% and 1% level. This shows that the sample sizes is adequate to reduce the 15 variables as the KMO value is greater than 0.6. Hence these variables are used for factor analysis and are classified into predominant factors. The factors derived would explain the characteristic features of the grouped underlying variables.

Table 7.35

Factors Analysis- Factors Influencing the Satisfaction of the Borrowers

Satisfaction	1	2	3	4
Proper guidance / Customer care by the employees	.985			
Securities demanded	.939			
Processing fees	.932			
Loan amount sanctioned	.920			
Overall service	.886			
Time taken for disbursement	.770			
Documentation procedures		.966		
Margin money demanded		.835		

Satisfaction	1	2	3	4
Clarity of information		.662		
Rate of interest			.965	
Follow-up Procedures			.666	
Adequacy of interest subsidy				.800
Down payment / EMI				.671
Repayment tenure				
Time taken for sanction				
Eigen Values	6.910	3.347	2.793	1.202
Percentage of Variance	46.065	22.312	18.622	8.013
Cumulative Percentage of Variance	46.065	68.377	86.999	95.011

Source: Computed Data

From the table 7.35 it is clearly depict the predominant factors that influence the satisfaction of the borrowers. Four factors are identified by locating Eigen values greater than unity. Factors which have a component loading of 0.7 and above are said to be vital factors that raises satisfaction level among borrowers. From the rotated component matrix, it can be seen that Proper guidance / Customer care by the employees, Securities demanded, Processing fees, Loan amount sanctioned, Overall service and Time taken for disbursement are found the significant in factor one. In the second factor, Documentation procedures Margin money demanded and Clarity of information are found to be significant. In the third factor, Rate of interest and Follow-up Procedures are found to be significant. In the Fourth factor, Adequacy of interest subsidy and down payment / EMI are found to be significant. Factor one contributes to a tune of 46.065 per cent towards the borrowers' satisfaction. The other factor contributes namely, 22.312, 18.622 and 8.013 towards the borrowers' satisfaction on availing education loan. The total cumulative percentage of satisfaction factors contributed by these four factors amounts to 95.011 per cent.

7.8 CONCLUSION

The borrowers' perception with concern to the level of satisfaction varies depending on the numerous aspects involved in the process of education loan. The satisfaction level of borrowers differs with the borrowers view towards the

effectiveness of loan, problem of borrowers and various demographic, socio-economic factors of the borrowers. There are certain factors which predominately affects the level of satisfaction of the borrowers. Evaluation of varied aspects of satisfaction depicts that Proper guidance / Customer care by the employees, Securities demanded, Processing fees, Loan amount sanctioned, Overall service and Time taken for disbursement are the major factors determining the level of satisfaction of education loan borrowers. The analysis also exhibits that there is association between the effectiveness, problem and level of satisfaction. The outcome of the assessment proves to bring key impact in the optimal education loan scheme.