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A STUDY ON DEFAULTER OF CAR LOAN REPAYMENT IN TAMIL NADU

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ABSTRACT

Lending is one of the major functions of banks in all economies. In fact, interest charged on loans and advances today constitute a sizeable part of banks' earnings. However, the possibility of failure of loans creates nightmares for not only the borrower and lender, but also poses a serious setback to the economy. One of the important matters in banking in general and lending in particular is the ability of a lending officer to confidently lend out money and be assured that these funds will be recovered from the borrower without resorting to punitive action. But, because of lack of information on credit defaulters, many credit officers are likely to still lend out funds that may never be recovered. This paper deals with factors determining the credit default among the borrowers of car loan. It outlines the influence of socio economic status of the car loan borrowers towards their reasons for non repayment of car loan. This paper concludes with some interesting findings.

KEYWORDS: car loan, *borrower, occupation, employment, income*