










Bank Loan Analysis – Insights Report



Quick Overview

-  Total Applications Analyzed: 38,000+
-  Good Loans: 86.18% (Fully Paid or Current)
-  Bad Loans: 13.82% (Charged Off)
-  Total Funded Amount: \$435M+
-  Loan Purpose Leaders: Debt Consolidation, Credit Card Refinancing, Home Improvement
-  Default Indicators: High Interest Rates, High DTI, Shorter Employment
-  Top Performing Regions: California, Texas, New York

1. Loan Performance Summary

- Good Loans (Fully Paid + Current): 86.18%
- Bad Loans (Charged Off): 13.82%
- Funded (Good Loans): \$370.2M | Received: \$435.8M
- Funded (Bad Loans): \$65.5M | Received: \$37.3M

Insight: Good loans dominate the portfolio, but charge-offs result in \$28M+ loss. Early risk detection is essential.

2. Purpose-Based Insights

- Debt Consolidation: 18.2K
- Credit Card: 5.0K
- Home Improvement: 3.8K

Insight: Refinancing-related loans dominate. More risk control needed in this segment.

3. Loan Term Preferences

- 36-Month Term: ~73% of loans
- 60-Month Term: ~27%

Insight: Shorter terms are more popular and typically involve lower risk.

4. Borrower Profiles: Employment & Home

- Employment Length - 10+ Years: 8.9K applications
- Employment Length - <1 Year: 4.6K
- Home Ownership - Rent: 18.4K
- Home Ownership - Mortgage: 17.1K

- Home Ownership - Own: 2.8K

Insight: Longer employment and home ownership correlate with lower risk. These should influence approval decisions.

5. Geographic Lending Trends

- Highest activity in California, Texas, New York

Insight: Opportunity exists to scale in high-performing areas and strategize outreach in under-served regions.

6. Risk Factors: Interest & DTI

- Average Interest Rate - Fully Paid: 11.64%
- Average Interest Rate - Current: 13.88%
- Average Interest Rate - Charged Off: 15.10%
- Average DTI Ratio - Fully Paid: 13.17%
- Average DTI Ratio - Current: 14.00%
- Average DTI Ratio - Charged Off: 14.72%

Insight: Risk sharply increases with higher interest and DTI. These metrics must be strictly evaluated pre-approval.

Recommendations for Lending Strategy

- **Strengthen Risk Filters**
Set stricter limits on high DTI and high-interest loans.
Require stronger employment history for large loans.
- **Build Risk-Based Segments**
Segment borrowers by risk tier using interest, DTI, and employment length.
Offer tailored terms to low-risk segments to boost retention.
- **Improve Loan Purpose Screening**
Apply extra checks for refinancing and debt consolidation loans.
Encourage diversification of loan purposes.
- **Refine Geographic Focus**
Expand marketing and approval pipelines in high-performing regions.
Evaluate low-volume states for targeted outreach or risk avoidance.
- **Monitor and Review Default Trends Monthly**
Continuously track MoM changes in defaults, repayments, and funding trends to adapt strategy dynamically.