

Loan Approval Analysis — Written Report -----

Prepared from: Loan Approval Analysis Dashboard (Power BI)

1. Executive Summary ----- This analysis examines ~33K loan applications. The portfolio shows a low approval rate (~22%) and a high rejection rate (~78%). Drivers analyzed include loan grade, home-ownership type, applicant income, credit history, loan intent, and risk level.

2. Dataset Snapshot ----- - Total loan records: ~33K - Approved: 7,108 - Rejected: 25,473 - Average income: 66.07K - Average credit history: 5.80

3. Key Analyses & Findings ----- A. Approval / Rejection Overview Approval Rate ≈ 22%, Rejection Rate ≈ 78%.

B. Approval Rate by Risk Level - Medium risk: 23% - Low risk: 21%

C. Loan Grade Distribution (Approved vs Rejected) - Grade A: Approved 1,073 ; Rejected 9,704 - Grade B: Approved 1,701 ; Rejected 8,750 - Grade C: Approved 1,339 ; Rejected 5,119 - Grade D: Approved 2,141 ; Rejected 1,485 - Grade E: Approved 621 ; Rejected 343 - Grade F: Approved 170 ; Rejected 71 - Grade G: Approved 63 ; Rejected 1

D. Home Ownership Distribution - RENT: 50.48% - MORTGAGE: 41.26% - OWN: 7.93%

E. Loan Intent Categories include EDUCATION, MEDICAL, VENTURE, PERSONAL, DEBT CONSOLIDATION, HOME IMPROVEMENT.

4. Interpretation & Recommendations ----- - Low approval rate suggests strict criteria or high-risk applicants. - Rejections in top loan grades may require re-evaluating grading logic. - Consider revising underwriting rules for renters.

Recommendations: - Audit data quality for loan grades. - Adjust risk thresholds after statistical testing. - Segment approval criteria by loan intent.

5. Limitations ----- - Some category counts visible only in visuals, not raw in PDF. - No PII present in shared analysis.