

VERSION HISTORY

VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR
1.0			Initial Document	

TABLE OF CONTENTS

- 1. EXECUTIVE SUMMARY SNAPSHOT
- 2. PROJECT DESCRIPTION
- 3. PROJECT SCOPE
- 4. BUSINESS DRIVERS
- 5. CURRENT PROCESS
- 6. PROPOSED PROCESS
- 7. FUNCTIONAL REQUIREMENTS
- 8. NON- FUNCTIONAL REQUIREMENTS
- 9. FINANCIAL STATEMENTS
- 10. COST AND BENEFIT
- 11. RESOURCES
- 12. SCHEDULE, TIMELINE, AND DEADLINES
- 13. ASSUMPTIONS
- 14. GLOSSARY
- 15. REFERENCES
- 16. APPENDIX

1. EXECUTIVE SUMMARY SNAPSHOT

The project aims to digitize the entire loan origination process for personal loans at XYZ Bank. The current manual, paper-based process has led to increased turnaround time, frequent errors, and poor

customer experience. The proposed system will enable customers to apply for loans, get eligibility assessment, upload KYC documents, track application status, and receive approval digitally.

## **2. PROJECT DESCRIPTION**

The project titled "Digital Loan Application and Approval System" aims to build an online platform for customers to apply for personal loans, get eligibility assessment, upload KYC documents, track application status, and receive approval digitally.

## **3. PROJECT SCOPE**

In Scope:

- Online loan application form with Aadhaar/PAN-based prefill.
- Integration with credit bureau (CIBIL) to fetch credit score.
- AI-based eligibility and risk assessment module.
- Real-time KYC document verification (OCR + face match).
- Loan sanction and e-agreement signing via OTP-based authentication.
- Integration with core banking for disbursement.

Out of Scope:

- Home loan, car loan, and business loan modules.
- Agent-assisted journeys for Tier 3 regions.

## **4. BUSINESS DRIVERS**

The business drivers for this project include the need to reduce turnaround time, minimize errors, and improve customer experience in the loan application process.

## **5. CURRENT PROCESS**

The current process is manual and paper-based, requiring customers to physically visit branches to apply for loans.

## **6. PROPOSED PROCESS**

The proposed process involves the creation of a digital platform where customers can apply for loans, get eligibility assessment, upload KYC documents, track application status, and receive approval digitally.

## **7. FUNCTIONAL REQUIREMENTS**

- Responsive web app for self-service journey
- Aadhaar/PAN card OCR and verification
- Credit score fetching from Experian or CIBIL
- Eligibility rules based on income, credit history, and existing liabilities
- Risk scoring using internal AI model
- E-sign integration using DigiLocker + Aadhaar eKYC
- Dashboard for customer to track loan status

## **8. NON- FUNCTIONAL REQUIREMENTS**

- System must support English and Hindi
- Loan disbursement only through verified bank accounts

## **9. FINANCIAL STATEMENTS**

To be defined

## **10. COST AND BENEFIT**

To be defined

## **11. RESOURCES**

- Product Manager: Rahul Sharma
- Business Head - Retail Lending: Priya Iyer
- IT Manager: Rakesh Sinha
- Compliance Lead: Anjali Mehta

## **12. SCHEDULE, TIMELINE, AND DEADLINES**

- Requirements Finalization: 15 March 2025
- Development Kickoff: 1 April 2025
- UAT: 1 June 2025
- Go-Live: 1 July 2025

13. ASSUMPTIONS

- Customer must have Aadhaar-linked mobile number
- System must support English and Hindi
- Loan disbursement only through verified bank accounts

14. GLOSSARY

To be defined

15. REFERENCES

To be defined

16. APPENDIX

To be defined

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Compliance Rules

|---|---|---|---|---|

| R1 | The digital platform must support Aadhaar/PAN-based prefill for the online loan application

form. | Data | High | Aadhaar Act, 2016 |

| R2 | The system must integrate with credit bureau (CIBIL) to fetch credit score. | Data | High |

Credit Information Companies Regulation Act, 2005 |

| R3 | The system must support AI-based eligibility and risk assessment module. | Operational |

Medium | N/A |

| R4 | Real-time KYC document verification (OCR + face match) must be implemented. | Security | High |

| Prevention of Money Laundering Act, 2002 |

| R5 | Loan sanction and e-agreement signing must be done via OTP-based authentication. | Security |

High | Information Technology Act, 2000 |

| R6 | The system must integrate with core banking for disbursement. | Operational | High | Banking

Regulation Act, 1949 |

| R7 | The system must not include home loan, car loan, and business loan modules. | Operational |

Low | N/A |

| R8 | The system must not support agent-assisted journeys for Tier 3 regions. | Operational | Low |

N/A |

| R9 | The system must be a responsive web app for self-service journey. | Operational | Medium |

N/A |

| R10 | The system must support Aadhaar/PAN card OCR and verification. | Data | High | Aadhaar Act,

2016 |

| R11 | The system must fetch credit score from Experian or CIBIL. | Data | High | Credit

Information Companies Regulation Act, 2005 |

| R12 | The system must have eligibility rules based on income, credit history, and existing

liabilities. | Data | High | N/A |

| R13 | The system must use an internal AI model for risk scoring. | Operational | Medium | N/A |

| R14 | The system must integrate E-sign using DigiLocker + Aadhaar eKYC. | Security | High |

Information Technology Act, 2000 |

| R15 | The system must have a dashboard for customer to track loan status. | Operational | Medium |

N/A |

| R16 | The system must support English and Hindi languages. | Operational | Low | N/A |

| R17 | Loan disbursement must be done only through verified bank accounts. | Security | High |

Banking Regulation Act, 1949 |

| R18 | Customer must have Aadhaar-linked mobile number. | Data | High | Aadhaar Act, 2016 |