

Bank Loan Report – Data Dictionary

This section defines the key fields used in the dataset and explains their significance in both data analysis and banking operations.

Field Descriptions

Loan ID

- **Description:** A unique identifier assigned to each loan application or account.
- **Purpose:** Enables precise tracking and management of individual loans.
- **Bank Use:** Helps manage loan lifecycles, monitor repayments, and resolve customer queries.

Address State

- **Description:** Indicates the borrower's residential state.
- **Purpose:** Assesses geographic risk and regulatory requirements.
- **Bank Use:** Supports regional risk analysis, compliance, and marketing strategies.

Employee Length

- **Description:** Number of years the borrower has been employed.
- **Purpose:** Serves as a proxy for job stability.
- **Bank Use:** Longer employment is typically associated with lower credit risk.

Employee Title

- **Description:** The job title or occupation of the borrower.
- **Purpose:** Helps evaluate income sources and employment sector.

- **Bank Use:** Informs income verification and risk assessment by profession.

Grade

- **Description:** A risk classification based on the borrower's creditworthiness.
- **Purpose:** Represents the overall risk category of the loan.
- **Bank Use:** Used for loan pricing, investor appeal, and risk segmentation.

Sub Grade

- **Description:** A finer classification within the main grade.
- **Purpose:** Offers deeper differentiation of credit risk.
- **Bank Use:** Tailors interest rates and terms to match risk profiles more precisely.

Home Ownership

- **Description:** Indicates whether the borrower owns, rents, or mortgages their home.
- **Purpose:** Provides insight into financial stability and potential collateral.
- **Bank Use:** Used to assess credit risk and potential asset backing.

Issue Date

- **Description:** The origination date of the loan.
- **Purpose:** Marks the beginning of the loan term.
- **Bank Use:** Used for aging analysis, interest accruals, and lifecycle tracking.

Last Credit Pull Date

- **Description:** The most recent date the borrower's credit was checked.
- **Purpose:** Monitors updates to credit reports.

- **Bank Use:** Helps maintain up-to-date risk assessments.

Last Payment Date

- **Description:** The date the borrower last made a payment.
- **Purpose:** Tracks payment behavior and loan activity.
- **Bank Use:** Informs delinquency management and cash flow predictions.

Loan Status

- **Description:** Current state of the loan (e.g., Current, Fully Paid, Charged Off).
- **Purpose:** Indicates loan performance and repayment progress.
- **Bank Use:** Supports portfolio health analysis and provisioning decisions.

Next Payment Date

- **Description:** Scheduled date for the next payment.
- **Purpose:** Helps forecast cash inflows.
- **Bank Use:** Assists in liquidity planning and borrower outreach.

Purpose

- **Description:** The stated reason for borrowing (e.g., Debt Consolidation, Education).
- **Purpose:** Provides insight into borrower intent.
- **Bank Use:** Supports product customization and segmentation.

Term

- **Description:** Duration of the loan in months.
- **Purpose:** Defines the repayment period.

- **Bank Use:** Used to structure payment schedules and interest calculations.

Verification Status

- **Description:** Indicates whether the borrower's income and employment have been verified.
- **Purpose:** Validates data reliability.
- **Bank Use:** Influences approval decisions and credit scoring.

Annual Income

- **Description:** The borrower's reported yearly income.
- **Purpose:** Measures financial capacity for repayment.
- **Bank Use:** Used to calculate eligibility and debt-to-income ratios.

DTI (Debt-to-Income Ratio)

- **Description:** Total monthly debt payments divided by gross monthly income.
- **Purpose:** Evaluates the borrower's ability to manage additional debt.
- **Bank Use:** Critical for risk assessment and responsible lending decisions.

Installment

- **Description:** The borrower's fixed monthly payment.
- **Purpose:** Includes both principal and interest portions.
- **Bank Use:** Used to structure loan terms and assess affordability.

Interest Rate

- **Description:** Annual percentage rate charged on the loan.
- **Purpose:** Reflects the cost of borrowing.

- **Bank Use:** Supports loan pricing and profit margin management.

Loan Amount

- **Description:** Total amount borrowed by the applicant.
- **Purpose:** Represents the principal balance.
- **Bank Use:** Determines exposure and influences funding allocation.