

APPLICANT CREDIBILITY PREDICTION FOR LOAN APPROVAL

Problem1: Tougher Banking Regulations

Government regulations are subjecting banks to increasingly stricter requirements and guidelines. The need for market transparency means that banks need to demonstrate compliance, governance, and ensure that they are protected when conducting business with customers and other organisations.

How to overcome this problem:

Ensure complete confidence in activity by automating key areas of business – such as KYC and due diligence checks. Automation also reduces the risk of manual errors, preventing any penalties from mistakes within the business.

Problem2: Evolving Customer Expectations:

The age of digital has brought with it an increase in customer expectations. Known as ‘the Amazon effect’, this new cultural shift means that users expect instant access and immediate responses to their queries.

How to overcome this problem:

Automate key areas of the communication process to give immediate responses, and follow up with rapid action. By removing resource-exhaustive tasks, you can process applications faster and deal with a higher volume of requests.

Problem3: Growing Operational Costs:

Rising economic factors mean that daily operational costs continue to increase. Areas that are not performing efficiently can no longer be left unchecked – particularly when many disruptor competitors aren’t held back by such costly infrastructure.

How to overcome this problem:

Streamline processes and reducing operating costs. Automation not only helps you identify areas of the business that are underperforming but increases efficiency across the board – allowing you to streamline spend and reduce investments.

Problem4: Lack of Trust:

The financial crisis and corporate scandals have plagued the banking industry, giving rise to new Fintech companies. Shaken trust and a lack of transparency in the industry has impacted banks' credibility and now, more than ever, restoring consumer trust is essential for financial organizations.

How to overcome this problem:

IA can bring back confidence in the banking industry by increasing efficiency, removing errors, and enabling financial institutions to deliver accurate, robust banking solutions.

Problem5:Less amount sanctioned:

The loan amount sanctioned by the bank mostly varies then the expected amount of the buyer. Bank calculates the amount a buyer can repay taking into consideration his income, live loans, financial history etc. This calculated amount gets reflected in the sanctioned loan amount.

How to overcome this problem:

The buyer can enhance his eligibility for a home loan by applying on a co-applicant basis.