# Project Charter: Alpha Bank Loan Process Improvement

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## 1. Project Description

This project focuses on analyzing and redesigning Alpha Bank's current loan approval process. The goal is to address the inefficiencies caused by manual steps, paperwork, and slow verification procedures. By identifying key bottlenecks and engaging with stakeholders, the project aims to propose a streamlined, digital loan system that improves speed, accuracy, and customer satisfaction while still meeting regulatory requirements such as KYC and AML.

## 2. Problem Statement

Alpha Bank is a regional bank that relies heavily on its loan services as a major source of revenue. However, the bank currently handles loan applications through a slow, manual process that involves lengthy verification steps and repeated paperwork. This outdated approach is making the loan application process tedious and frustrating for customers. As a result, many customers become discouraged and abandon their applications midway. This inefficiency not only reduces the bank's income from potential loans but also damages customer trust and weakens Alpha Bank's competitive position in the market.

## 3. Project Objectives

1. To create a digital loan system that reduces paperwork and automatically validates the completeness and accuracy of customer information and submitted documents.

2. To cut down the loan approval turnaround time by at least 40% by removing delays and reducing manual steps.

3. To increase the number of completed loan applications by making the process easier, faster, and more user-friendly for customers.

4. To ensure the new system fully complies with KYC (Know Your Customer) and AML (Anti-Money Laundering) regulations, while also speeding up the compliance process.

5. To connect the system with approved credit bureaus (such as CRC or CreditRegistry) for quicker and more reliable credit history checks.

6. To provide customers with real-time updates on their loan status at every stage of the process, improving transparency and reducing uncertainty.

7. To minimize human errors and reduce operational costs by automating repetitive tasks like data entry and document checks.

## 4. Project Scope

### A. In-Scope Activities

- Review and document the current (as-is) loan approval process

- Identify bottlenecks and customer/staff pain points

- Define requirements for a proposed digital loan management system

- Design a future (to-be) loan approval process

- Recommend process improvements that enhance speed, accuracy, and satisfaction

- Ensure alignment with regulatory standards (KYC/AML)

### B. Out-of-Scope Activities

- Software development or programming

- Final tool/vendor selection

- Training, rollout, or change management activities

**Scope Adjustment Note:**
Scope items may be refined based on insights from stakeholder interviews and process review.

## 5. Scope / Area of Focus

The project will focus on improving and redesigning the following stages of Alpha Bank's loan process:

- Initial customer application

- Internal reviews and documentation

- Credit checks

- Compliance verification

- Final loan decision

## 6. Key Stakeholders

- Loan Applicants (Customers)

- Branch and Loan Officers

- Risk and Credit Assessment Teams

- Compliance and Legal Teams

- External Credit Bureaus (CRC, CreditRegistry, etc.)