

Mortgage Analysis

Abstract

A finance company specialises in lending various types of loans to customers. When the company receives a loan application, the company has to make a decision for loan approval based on the applicant's profile. Two types of risks are associated with the bank's decision:

- If the applicant is likely to repay the loan, then not approving the loan results in a loss of business to the company
- If the applicant is not likely to repay the loan, i.e. he/she is likely to default, then approving the loan may lead to a financial loss for the Company

Problem Definition

Identify factors which indicate if a person is likely to default, which may be used for taking actions such as denying the loan, reducing the amount of loan, lending (to risky applicants) at a higher interest rate, etc.

The data given contains information about past loan applicants and whether they 'defaulted' or not.

Variable Description:

The dataset contains a lot of variables. A separate variable description document is provided.

Scope:

- Identify relationships among the features
- Visually analysing factors that affect the default risk

Learning Outcome:

The purpose of this exercise to look into different tableau features to create loan risk analysis dashboard that analyzes bank loan data to assess the risk of loan default.