**BANK LOAN ANALYSIS**

**DATASET DESCRIPTION**

**Loan ID:**

Purpose: Loan ID is a unique identifier assigned to each loan application or loan account. It serves as a primary key for tracking and managing individual loans.

**Address State:**

Purpose: Address State indicates the borrower's location. It helps in assessing regional risk factors, compliance with state regulations, and estimating default probabilities.

**Employee Length:**

Purpose: Employee Length provides insights into the borrower's employment stability. Longer employment durations may indicate greater job security.

**Employee Title:**

Purpose: Employee Title specifies the borrower's occupation or job title. It helps lenders understand the source of the borrower's income.

**Grade:**

Purpose: Grade represents a risk classification assigned to the loan based on creditworthiness. Higher grades signify lower risk.

**Sub Grade:**

Purpose: Sub Grade refines the risk assessment within a grade, providing additional risk differentiation.

**Home Ownership:**

Purpose: Home Ownership indicates the borrower's housing status. It offers insights into financial stability.

**Issue Date:**

Purpose: Issue Date marks the loan's origination date. It's crucial for loan tracking and maturity calculations.

**Last Credit Pull Date**

Purpose: Last Credit Pull Date records when the borrower's credit report was last accessed. It helps monitor creditworthiness.

**Last Payment Date:**

Purpose: Last Payment Date marks the most recent loan payment received. It tracks the borrower's payment history.

**Loan Status:**

Purpose: Loan Status indicates the current state of the loan (e.g., fully paid, current, default). It tracks loan performance.

**Next Payment Date:**

Purpose: Next Payment Date estimates the date of the next loan payment. It assists in cash flow forecasting.

**Purpose:**

Purpose: Purpose specifies the reason for the loan (e.g., debt consolidation, education). It helps understand borrower intentions.

**Term:**

Purpose: Term defines the duration of the loan in months.

**Verification Status:**

Purpose: Verification Status indicates whether the borrower's financial information has been verified. It assesses data accuracy.

**Annual Income:**

Purpose: Annual Income reflects the borrower's total yearly earnings. It assesses repayment capacity.

**DTI (Debt-to-Income Ratio):**

Purpose: DTI measures the borrower's debt burden relative to income. It gauges the borrower's capacity to take on additional debt.

**Instalment:**

Purpose: Instalment is the fixed monthly payment amount for loan repayment, including principal and interest.

**Interest Rate:**

Purpose: Interest Rate represents the annual cost of borrowing expressed as a percentage. It determines the loan's cost.

**Loan Amount:**

Purpose: Loan Amount is the total borrowed sum. It defines the principal amount.

Use for Banks: Banks use Loan Amount to determine loan size