

# PROBLEM STATEMENT

## BRD 1: SUMMARY

### Key Performance Indicators (KPIs) Requirements:

- 1. Total Loan Applications:** We need to calculate the total number of loan applications received during a specified period. Additionally, it is essential to monitor the Month-to-Date (MTD) Loan Applications.
- 2. Total Funded Amount:** Understanding the total amount of funds disbursed as loans is crucial. We also want to keep an eye on the MTD Total Funded Amount metric.
- 3. Total Amount Received:** Tracking the total amount received from borrowers is essential for assessing the bank's cash flow and loan repayment. We should analyse the Month-to-Date (MTD) Total Amount Receive.
- 4. Average Interest Rate:** Calculating the average interest rate across all loans which will provide insights into our lending portfolio's overall cost.
- 5. Average Debt-to-Income Ratio (DTI):** Evaluating the average DTI for our borrowers helps us gauge their financial health. We need to compute the average DTI for all loans.

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## BRD 1: SUMMARY

### Good Loan v Bad Loan KPI's

#### Good Loan:

1. Good Loan Application Percentage
2. Good Loan Applications
3. Good Loan Funded Amount
4. Good Loan Total Received Amount

#### Bad Loan

1. Bad Loan Application Percentage
2. Bad Loan Applications
3. Bad Loan Funded Amount
4. Bad Loan Total Received Amount

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## BRD 2: OVERVIEW

### CHARTS

1. **Monthly Trends by Issue Date (Line/ Area Chart):** To identify seasonality and long-term trends in lending activities
2. **Regional Analysis by State (Bar Chart):** To identify regions with significant lending activity and assess regional disparities
3. **Loan Term Analysis (Donut Chart):** To allow the client to understand the distribution of loans across various term lengths.
4. **Employee Length Analysis (Bar Chart):** How lending metrics are distributed among borrowers with different employment lengths, helping us assess the impact of employment history on loan applications.
5. **Loan Purpose Breakdown (Bar Chart):** Will provide a visual breakdown of loan metrics based on the stated purposes of loans, aiding in the understanding of the primary reasons borrowers seek financing.
6. **Home Ownership Analysis (Tree/ Heat Map):** For a hierarchical view of how home ownership impacts loan applications and disbursements.

**Metrics to be shown: 'Total Loan Applications,' 'Total Funded Amount,' and 'Total Amount Received'**