BANK LOAN RISK ANALYSIS ATTRIBUTES

SNO	Attribute Name	Purpose	Relevancy
1	LOAN ID	➤ 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	Using the Loan IDs banks can track loans throughout their lifecycle. It aids in organizing loan records, monitoring repayments, and addressing customer inquiries.
2	ADDRESS STATE	➤ Address State indicates the borrower's location ➤ It helps in assessing regional risk factors, compliance with state regulations, and estimating default probabilities.	Banks use this data to track regional loan trends, adjust marketing, and manage risk based on geographic differences.
3	APPLICATION TYPE	➤ shows if the loan request is individual or joint. ➤ It helps banks assess risk based on applicant type.	It helps banks assess risk by showing if the loan is individual or joint, affecting income and risk levels.
4	EMPLOYEE LENGTH	➤ Employee length shows job stability ➤ longer durations often suggest reliable income and lower risk for loan repayment.	Banks consider employment length when assessing a borrower's ability to repay. Stable employment often translates to a lower default risk.
5	EMPLOYEE TITLE	➤ Employee title indicates the borrower's job role.	Banks use this field to verify income sources, assess the borrower's financial

		➢ Helps bank assess income source and employment type for evaluating loan eligibility and risk.	capacity, and tailor loan offers to different professions.
6	**GRADE**	➢ Grade shows the loan's risk level based on creditworthiness. ➢ Higher grades mean the borrower is less risky and more trustworthy.	Banks use the grade to price loans and manage risk. Higher-grade loans typically receive lower interest rates and are more attractive to investors.
7	**SUB GRADE**	➢ Sub Grade refines the risk assessment within a grade, providing additional risk differentiation	Sub Grades offer a finer level of risk assessment, helping banks tailor interest rates and lending terms to match borrower risk profiles.
8	**HOME OWNERSHIP**	➢ Home ownership shows the borrower's housing situation, helping lenders understand their financial stability and ability to repay the loan.	Banks use this field to check if collateral is available and if the borrower is stable. Homeowners often default less.
9	**ISSUE DATE**	➢ Issue Date shows when the loan started. ➢ It helps banks track the loan's timeline and calculate when it will be repaid.	Banks use Issue Dates to monitor loan age, calculate interest over time, and organize or manage their overall loan portfolio.
10	**LAST CREDIT PULL DATE**	➢ Last Credit Pull Date records when the borrower's credit report was last accessed. ➢ It helps monitor credit worthiness.	Banks use this date to track credit history updates, assess credit risk, and make informed lending decisions.

11	LAST PAYMENT DATE	➢ Last Payment Date marks the most recent loan payment received. It tracks the borrower's payment history.	Banks use this date to assess payment behavior, calculate delinquency, and project future payments.
12	LOAN STATUS:	➢ Loan Status indicates the current state of the loan (e.g., fully paid, current, default). ➢ It tracks loan performance.	Banks use Loan Status to monitor loan health, categorize loans for risk analysis, and determine provisioning requirements.
13	NEXT PAYMENT DATE	➢ Next Payment Date shows when the borrower will make the next payment. ➢ It helps banks plan and forecast future cash flow.	Banks use this date to plan liquidity needs and estimate upcoming income from their loan portfolios for better financial management.
14	MEMBER ID	➢ Member ID uniquely identifies the borrower details in the system ➢ It helps banks track loan details and ensure accurate risk assessment.	Member ID ensures accurate borrower identification, helping banks track loans, manage data, and assess risk for each individual borrower.
15	PURPOSE	➢ Purpose specifies the reason for the loan (e.g., debt consolidation, education). ➢ It helps understand borrower intentions.	Banks use this field to segment and customize loan offerings, aligning loan terms with borrower needs.
16	TERM	➢ Term defines the duration of the loan in months. ➢ It sets the repayment period.	Banks use the term to structure loan agreements, calculate interest payments, and manage loan maturities.

17	**VERIFICATION STATUS**	➢ Verification Status indicates whether the borrower's financial information has been verified. ➢ It assesses data accuracy.	Banks use this field to gauge data reliability, verify income, and evaluate loan application credibility.
18	**ANNUAL INCOME**	➢ Annual Income reflects the borrower's total yearly earnings. ➢ It assesses repayment capacity.	Banks use this income figure to determine loan eligibility, calculate debt-to-income ratios, and evaluate creditworthiness.
19	**DTI (DEBT TO INCOME RATIO)**	➢ DTI measures the borrower's debt burden relative to income. ➢ It gauges the borrower's capacity to take on additional debt.	Banks use DTI to assess a borrower's ability to handle loan payments and make responsible lending decisions.
20	**INSTALLMENT**	➢ Instalment is the fixed monthly payment amount for loan repayment, including principal and interest.	Banks use this field to structure loan terms, calculate amortization schedules, and assess payment affordability.
21	**INTEREST RATE**	➢ Interest Rate shows the yearly borrowing cost as a percentage. ➢ It helps determine how much the borrower pays for the loan.	Banks use interest rates to price loans, manage profit margins, and attract investors.
22	**LOAM AMOUNT**	➢ Loan Amount is the total borrowed sum. ➢ It defines the principal amount.	Banks use Loan Amount to determine loan size
23	**TOTAL_ACC**	➢ Refers to the total number of credit accounts the borrower has. ➢ It helps banks assess financial history and creditworthiness.	It shows the borrower's credit history. More accounts may indicate financial experience, helping banks assess credit risk and reliability.
24	**TOTAL_PAYMENT**	➢ refers to the total amount paid by the borrower.	It helps banks assess payment behavior and loan repayment history.