

# Loan Interest Rate Calculation for Customer 255347

## Customer Profile

|                         |                   |
|-------------------------|-------------------|
| Age:                    | 42                |
| Income:                 | ₹85,109           |
| Loan Amount:            | ₹60,575           |
| Credit Score:           | 809 (Exceptional) |
| Months Employed:        | 40                |
| Number of Credit Lines: | 1                 |
| Loan Term:              | 48 months         |
| DTI Ratio:              | 0.44 (44%)        |
| Education:              | High School       |
| Employment:             | Part-time         |
| Marital Status:         | Single            |
| Has Mortgage:           | Yes               |
| Has Dependents:         | Yes               |
| Loan Purpose:           | Other             |
| Has Co-Signer:          | No                |

## Adjustment Breakdown

| Factor             | Value/Status     | Adjustment (%) |
|--------------------|------------------|----------------|
| Base Rate          | -                | 6.50           |
| Credit Score (809) | Exceptional      | -2.50          |
| Employment         | Part-time        | +1.25          |
| DTI Ratio (44%)    | High             | +1.50          |
| Loan Term (48 mo)  | 36-48 months     | +0.75          |
| Loan Purpose       | Other            | +1.75          |
| Age (42)           | 25-40 years      | -0.25          |
| Education          | High School      | 0.00           |
| Marital Status     | Single           | 0.00           |
| Dependents         | Yes              | +0.50          |
| Has Co-Signer      | No               | 0.00           |
| Has Mortgage       | Yes (Secured RE) | -2.00          |

## Calculation

Final Rate = 6.50

– 2.50 (Exceptional Credit)  
+ 1.25 (Part-time Employment)  
+ 1.50 (High DTI)  
+ 0.75 (Loan Term)  
+ 1.75 (Loan Purpose)  
– 0.25 (Age)  
+ 0.50 (Dependents)  
– 2.00 (Mortgage)  
= 7.50%

## Final Interest Rate

7.50%

## Lender Notices and Recommendations

- **Credit Strength:** The exceptional credit score (809) significantly offsets other risk factors. This is the strongest positive factor.
- **Employment Risk:** Part-time employment status suggests income volatility. Verify:
  - Consistency of part-time income
  - Potential for full-time conversion
  - Additional income sources
- **DTI Consideration:** At 44%, the debt-to-income ratio is high for a part-time worker. Verify all debt obligations and assess repayment capacity.
- **Collateral Advantage:** The existing mortgage provides security but also indicates existing debt burden. Confirm property equity position.
- **Recommendations:**
  - Require proof of consistent part-time income history (2+ years preferred)
  - Consider shorter loan term if possible to reduce risk
  - Verify the "Other" loan purpose - additional documentation recommended
  - Assess dependents' financial impact (childcare costs, etc.)
- **Loan Decision:** Approve at 7.50% given the exceptional credit score and secured real estate, but with enhanced income verification due to part-time status.