

Loan Interest Rate Report for C1OZ6DPJ8Y

Underwriting Team

July 17, 2025

Loan Details

Loan ID:	C1OZ6DPJ8Y
Borrower Age:	46
Monthly Income:	₹84,208
Loan Amount:	₹129,188
Credit Score:	451 (Very Poor)
Employment Status:	Unemployed
Loan Term:	24 months
DTI Ratio:	31%
Education:	Master's
Marital Status:	Divorced
Has Mortgage:	Yes
Has Dependents:	Yes
Loan Purpose:	Auto
Co-Signer:	No

Calculated Interest Rate: 23.75%

The interest rate was determined based on a risk-adjusted pricing model considering the following factors:

1. Credit Score (Critical Risk Factor)

- **Score:** 451 (Very Poor)
- **Impact:** +8.00% to base rate
- **Justification:** Deep subprime (below 500) indicates severe credit risk.

2. Employment Status (Highest Risk Factor)

- **Status:** Unemployed
- **Impact:** +5.50% adjustment
- **Justification:** No active income source significantly increases default risk.

3. Loan-to-Income Ratio

$$LTI = \frac{\text{Loan Amount}}{\text{Annual Income}} = \frac{129,188}{84,208 \times 12} = 12.8\%$$

- **Impact:** +2.00% (Moderate relative to last known income)

4. Debt-to-Income Ratio

- **DTI:** 31%
- **Impact:** Neutral (within acceptable range)
- **Note:** Based on last known income - actual DTI may be infinite (unemployed)

5. Other Risk Factors

- **Divorced:** +0.75% (higher financial instability risk)
- **Mortgage:** +0.50% (existing debt obligation)
- **Dependents:** +0.50% (increased financial pressure)
- **No Co-Signer:** +3.00% (no credit enhancement)

6. Mitigating Factors

- **Master's Degree:** -0.50% (education correlates with repayment)
- **Short Term (24mo):** -1.00% (reduced duration risk)

Rate Calculation Breakdown

Base Rate	= 5.00%
+ Credit Score Adjustment	= +8.00%
+ Unemployment Adjustment	= +5.50%
+ LTI Adjustment	= +2.00%
+ Divorced Adjustment	= +0.75%
+ Mortgage Adjustment	= +0.50%
+ Dependents Adjustment	= +0.50%
+ No Co-Signer Adjustment	= +3.00%
– Education Benefit	= –0.50%
– Short Term Benefit	= –1.00%
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Final Rate =	<div>23.75%</div>

Risk Comparison Benchmark

Factor	Risk Level
Credit Score (451)	Critical Risk
Unemployment	Extreme Risk
Loan-to-Income (12.8%)	Moderate Risk
No Co-Signer	High Risk
Short Term (24mo)	Risk Reducer