

Loan Interest Rate Report for V2KKSFM3UN

Loan Details

Loan ID:	V2KKSFM3UN
Borrower Age:	32
Monthly Income:	₹31,713
Loan Amount:	₹44,799
Credit Score:	743 (Good)
Months Employed:	0 (New Employment)
Loan Term:	24 months
DTI Ratio:	23%
Education:	High School
Employment Type:	Full-time
Marital Status:	Married
Has Mortgage:	No
Has Dependents:	No
Loan Purpose:	Business
Co-Signer:	No

Calculated Interest Rate: 6.85%

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

1. Credit Score (Positive Factor)

- Score:** 743 (Good)
- Impact:** -2.25% from base rate
- Justification:** Scores 700-749 qualify for prime rates.

2. Employment Status (Risk Factor)

- Status:** New Employment (0 months)
- Impact:** +1.50% adjustment
- Justification:** Unproven job stability increases risk.

3. Loan-to-Income Ratio

$$LTI = \frac{\text{Loan Amount}}{\text{Annual Income}} = \frac{44,799}{31,713 \times 12} = 11.8\%$$

- Impact:** Neutral (Within standard range)

4. Debt-to-Income Ratio

- **DTI:** 23%
- **Impact:** -0.75% benefit
- **Justification:** Well below 36% threshold.

5. Other Factors

- **Business Purpose:** +0.50% (higher risk than consumer loans)
- **No Collateral:** +0.25% (unsecured business loan)
- **Married Status:** -0.25% (financial stability benefit)
- **No Dependents:** -0.15% (lower financial obligations)
- **High School Education:** Neutral (no adjustment)

Rate Calculation Breakdown

$$\begin{aligned} \text{Base Rate} &= 8.00\% \\ - \text{Credit Score Benefit} &= -2.25\% \\ + \text{New Employment Adjustment} &= +1.50\% \\ - \text{DTI Benefit} &= -0.75\% \\ + \text{Business Purpose Adjustment} &= +0.50\% \\ + \text{Unsecured Loan Adjustment} &= +0.25\% \\ - \text{Marital Status Benefit} &= -0.25\% \\ - \text{No Dependents Benefit} &= -0.15\% \\ \hline \text{Final Rate} &= 6.85\% \end{aligned}$$

Risk Comparison Benchmark

Factor	Risk Level
Credit Score (743)	Low Risk
Employment History	Moderate Risk
DTI (23%)	Very Low Risk
Loan Purpose (Business)	Elevated Risk
Loan Term (24mo)	Short-Term Benefit

Underwriting Notes

- Strong credit profile offsets new employment risk
- Business loan purpose warrants premium pricing
- Short term reduces default risk
- Recommend verification of new employment