

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.