

# **Additional Loan Risk Assessment Rules**

1. High Utilization Alert: Customers are flagged as AMBER when their credit card or overdraft utilization exceeds 80% of the sanctioned limit.
2. Job Loss / Employment Gap Detection: Customers are flagged as RED if verified employment is terminated or if they remain unemployed for more than 3 months during the loan tenure.
3. Frequent Address / Contact Changes: Customers are flagged as YELLOW when they change address or contact details more than twice in a year, indicating possible instability.
4. High Debt-to-Income Ratio (DTI): Customers are flagged as AMBER when their DTI exceeds 50%, and as RED when their DTI exceeds 70%.
5. Suspicious Transaction Alert: Customers are flagged as RED when there are multiple high-value cash transactions inconsistent with their declared income.
6. Guarantor Default Linkage: Customers are flagged as AMBER when their guarantor defaults on another loan.
7. Frequent Loan Inquiries: Customers are flagged as YELLOW when multiple loan/credit card applications are made in a short period, suggesting credit-hungry behavior.