

Bank Loan Report

Terminologies Used in Data

This document outlines the key fields in the dataset and their relevance in banking operations.

Loan ID

A unique identifier assigned to each loan application. Used to track, manage, and organize individual loans across their lifecycle.

State

Represents the borrower's geographic location. Useful for analyzing regional trends, assessing risk exposure, and complying with state-specific regulations.

Employee Length

Indicates the duration of the borrower's employment. Longer employment may reflect greater financial stability and lower credit risk.

Employee Title

Describes the borrower's occupation. Helps verify income sources and assess financial capacity.

Grade

A risk classification based on borrower creditworthiness. Higher grades indicate lower risk and are typically associated with lower interest rates.

Sub Grade

A more granular credit risk tier within each grade. Enables fine-tuned pricing and risk assessment.

Home Ownership

Shows the borrower's housing status (e.g., rent, own, mortgage). Useful for evaluating financial stability and collateral availability.

Issue Date

The origination date of the loan. Important for tracking loan age, calculating interest, and managing the loan cycle.

Last Credit Pull Date

Records the last date the borrower's credit report was accessed. Used to evaluate the most recent credit information.

Last Payment Date

Marks the most recent payment made by the borrower. Helps assess payment behavior and identify delinquencies.

Loan Status

Indicates the current standing of the loan (e.g., Fully Paid, Current, Charged Off). Critical for performance monitoring and portfolio risk management.

Next Payment Date

The expected date of the borrower's next payment. Used for forecasting cash flow and payment scheduling.

Purpose

Describes the reason for the loan (e.g., debt consolidation, home improvement). Helps segment borrowers and tailor loan products.

Term

Specifies the loan duration (e.g., 36 or 60 months). Determines the repayment schedule and total interest payable.

Verification Status

Indicates whether the borrower's financial details were verified. Assists in evaluating application credibility and data accuracy.

Annual Income

Represents the borrower's yearly income. Used to assess repayment capacity and determine loan eligibility.

DTI (Debt-to-Income Ratio)

Measures total debt relative to income. A key indicator of the borrower's ability to manage additional debt.

Installment

The fixed monthly payment including principal and interest. Helps assess affordability and structure repayment terms.

Interest Rate

The annual cost of borrowing expressed as a percentage. Determines the total cost of the loan and affects lender returns.

Loan Amount

The principal amount borrowed. Forms the basis for calculating interest and repayment obligations.