

# GLOBAL COMMERCIAL BANK - INTERNAL CREDIT POLICY (FY 2026)

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## 1.0 EXECUTIVE OVERVIEW

This document outlines the mandatory underwriting standards for all Commercial & Industrial (C&I) lending. All Loan Officers and Underwriters must adhere strictly to these guidelines. Deviations require Level 4 Executive Approval.

## 2.0 SECTOR-SPECIFIC PRICING GUIDELINES

To promote portfolio diversity and ESG goals, the Bank has established **fixed base rates** for priority sectors. These rates are valid for Q1-Q2 2026.

### 2.1 Green Energy & Sustainability Initiatives

- **Target:** Solar, Wind, and EV Infrastructure expansion projects.
- **Base Rate: Fixed at 4.5%.**
- +1
- **rationale:** Subsidized rate to capture market share in the renewable sector.
- **Maximum Loan-to-Value (LTV):** 80%.

### 2.2 Technology & SaaS

- **Base Rate:** SOFR + 250 bps (Calculated on the 1st of the month).
- **Covenant:** Minimum ARR (Annual Recurring Revenue) of \$2M.

### 2.3 General Manufacturing

- **Base Rate:** 5.5% Fixed.
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## 3.0 FINANCIAL UNDERWRITING STANDARDS

### 3.1 Debt Service Coverage Ratio (DSCR)

- Minimum DSCR of **1.25x** is required for all term loans.

- Income verification based on the previous two fiscal years' tax returns.

### 3.2 Interest Rate Buffers

- Underwriting stress tests shall assume a rate sensitivity of +/- 0.25%.
  - (Note for Hackathon: This buffer is insufficient for the "0.5% sudden rate hikes" mentioned in the problem statement.)

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## 4.0 KNOW YOUR CUSTOMER (KYC) & IDENTITY VERIFICATION

Standard due diligence must be performed to verify the legitimacy of the corporate entity.

### 4.1 Required Documentation

- Certified Articles of Incorporation.
- Government-issued ID (Passport or Driver's License) for all Beneficial Owners (>25% stake).
- Proof of Address (Utility bill dated within 90 days).

### 4.2 Digital Presence Checks

- Review applicant's website for general professionalism.
- Verify LinkedIn profiles of key executives exist.
  - (Note for Hackathon: This policy fails to check for "Fifth Wave" indicators such as domain age vs. profile creation date, leaving the bank vulnerable to synthetic identities.)
  - +1

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## 5.0 APPROVAL WORKFLOW

- **Loans < \$1M:** Automated preliminary check + Senior Loan Officer sign-off.
- **Loans > \$1M:** Requires manual review by the Credit Risk Committee.
  - *Turnaround Time:* Standard SLA is **10-14 business days**.

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### How LendLogic Uses This Document:

1. **Ingest (RAG):** The Vector DB Tool reads this PDF to find the "base truth" (e.g., the 4.5% Green Energy rate).
2. +1
3. **Verify (Market Tool Override):** The AI detects that the *real* cost of capital has risen (inflation spike), making the 4.5% rate unprofitable.

4. **Self-Correction:** The AI overrides Section 2.1 of this policy, adjusting the rate to **5.2%** to preserve the Net Interest Margin (NIM).
5. **Defend (Adversarial Tool Override):** The AI ignores the weak KYC rules in Section 4.2 and actively scans for deepfakes/synthetic patterns.