

INSIGHTLOAN

Credit Risk Assessment Report

Tan Jia Wen

Application ID: APP-202511272054581405

Status: Rejected (High Risk)

Loan Type: Loan

Requested Amount: RM 76,410.00

Assessment Date: 2025-11-27

35

RISK SCORE (/100)

REJECTED

Risk Level: High

Risk Score Calculation Breakdown

Category	Points	Reason
Base Score	+50	Starting neutral score for all applicants
NDI Adjustment	-18	NDI < RM500: -18 points
DSR Adjustment	+8	DSR < 35%: +8
Base score CAP due to NDI	-5	Reduced the score to align with threshold rules.

Key Risk Flags & Findings

Risk Flag	Severity	Description
Inaccurate Salary Claim	Medium	The applicant claims a monthly salary of approximately RM 3,185 in the essay, but the bank statement shows RM3,600 and the payslip shows a gross pay of RM3,600 and a net pay of RM3,228.25 which causes inconsistencies with declarations.
Low Net Disposable Income (NDI)	Critical	With a family of three, the low NDI indicates that after expenses and debt obligations (including the proposed loan), very little money is left, making it difficult to manage unexpected costs and creating a high default risk.
Down Payment	Medium	With 10% down payment this shows strong obligation and reduces risk associated as there is an upfront contribution.
Employment history with guarantor	Low	Stable employment with a guarantor reduces the risk associated as a third party takes over payments.
Purpose of car - employability	Low	The need for this to maintain productivity and employability has been mentioned to justify importance.
Limited Savings	Medium	The applicant's savings, while present, do not provide a substantial emergency buffer given family size and other considerations.

DECISION JUSTIFICATION

RECOMMENDATION: REJECT

Overall Assessment:

Despite a stable employment and manageable DSR, the critically low Net Disposable Income poses a significant risk. Approving this loan would likely place the applicant in a difficult financial position and increase the risk of default. Therefore, the loan application is rejected.

STRENGTHS

1. The applicant has a stable employment history and consistent income.
2. The Debt Service Ratio is within an acceptable range.

CONCERNS

1. The Net Disposable Income (NDI) is critically low.
2. Limited financial buffer with tight savings.