INSIGHTLOAN

Credit Risk Assessment Report

SAW YONG QUAN

Application ID: APP-202511272251585496

Loan Type: Loan

Requested Amount: RM 450,000.00

Assessment Date: 2025-11-27

Status: Rejected (High Risk)

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RISK SCORE (/100)

REJECTED

Risk Level: High

Risk Score Calculation Breakdown

Category	Points	Reason
Income Verification	+8	Payslip shows RM4,500 monthly salary aligning with bank deposits (within 10%)
Debt Burden Analysis	-12	DSR > 65%
Family Burden Assessment	-10	Per capita income < RM 700/person/month
Repayment Capacity Verification	-14	Installment > 55% of net income
Bank Statement Health	+8	Consistent positive balance >RM2000, no overdrafts
Spending Behavior	0	Balanced but could save more
Consistency & Trustworthiness	+6	All documents tell coherent story with evidence

Key Risk Flags & Findings

Risk Flag	Severity	Description
Critically Low Net Disposable Income	Critical	The applicant's Net Disposable Income (NDI) is calculated to be RM209.4. This is insufficient to cover basic living expenses for a family of 6 after accounting for the estimated monthly loan installment. This suggests the applicant may struggle to repay the loan.
High Debt Service Ratio (DSR)	High	The applicant's Debt Service Ratio (DSR) is 66.11%. This significantly exceeds acceptable levels and indicates that a large portion of the applicant's income is allocated to servicing debt. A high DSR increases the risk of default.
Low Per Capita Income	Medium	The per capita income for the applicant's family is approximately RM718.23 per month. This suggests a high dependency ratio and financial strain on the applicant's income.
Inadequate Liquidity Buffer	Medium	While savings appear sufficient in the bank statement, the very low disposable income after the mortgage payment makes the applicant vulnerable to unforeseen expenses. The loan represents a large proportion of income.

DECISION JUSTIFICATION

RECOMMENDATION: REJECT

Overall Assessment:

Based on the severe financial constraints identified, the application is not recommended for approval. The low NDI, high DSR, and low per capita income indicate that the applicant would struggle to meet monthly loan obligations. This risk is too high for approval.

STRENGTHS

1. The applicant has a stable employment history.
2. The applicant has a healthy savings balance.

CONCERNS

1. Low Net Disposable Income (NDI)
2. High Debt Service Ratio (DSR)
3. Low per capita Income