

# Summary of Review Process

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## Deliverable 3: Summary of Review Process

This review applied data lifecycle management and data classification principles to systematically evaluate how customer data is collected, processed, stored, and used within the automated lending system. Each stage of the data flow was examined to identify risks related to governance, data quality, legal compliance, and ethical use of machine learning.

The assessment revealed that excessive data collection at the point of entry, the absence of explicit consent verification, and limited transparency in automated decision-making were the primary governance and ethical concerns. These weaknesses increase regulatory exposure, reduce trust, and can lead to unfair or unexplainable loan outcomes.

To address ethical risks in automated lending decisions, the Approval Rate Disparity Ratio was proposed as a key monitoring metric. This metric enables continuous oversight of model fairness by highlighting approval differences across groups, supporting transparency, accountability, and responsible AI governance.