**VISTA LOAN LTD COMPANY ANALYSIS FOR YEAR 2023**

**OBSERVATIONS**

**1. Loan Trends by Age Group**

The highest loan amounts are granted to the Age group 21-30 (326M), followed by a steep decline in older age groups. Loan amounts for individuals aged 61 and above are negligible.

**2) Loan Intent**

Education is the leading loan purpose by count (9.2K), followed by medical, venture, and personal intents. Debt consolidation and home improvement have the least loan intent counts

**3) Loan Status**

A significant portion of loans is denied (22.22%) compared to the approval rate (77.78%). Personal loans total 63M, but approvals for this category are lower compared to other intents like education and venture loans.

**4) Education and Loan Amount**

Borrowers with a bachelor’s degree received the highest loan amounts (128M), followed by associates and high school graduates. Doctorate holders have the lowest loan amounts (6M).

**5) Credit Scores:**

Customers with higher credit scores (e.g., NGA32298 with a score of 850) are more likely to receive loans. Average credit scores are slightly higher for mortgage holders (633.04) compared to renters (632.36) or others (627.80).

**RECOMMEDATIONS**

**1. Target Younger Age Groups for Loan Offerings**:

Given the high loan volume in the 21-30 age group, financial institutions should focus on developing tailored loan products for young adults, such as education loans, starter loans for ventures, and personal loans. Marketing efforts should highlight benefits such as flexible repayment terms and competitive interest rates to attract this demographic.

**2. Enhance Loan Products for Older Age Groups**

Since loan activity decreases significantly for individuals aged 61 and above, banks could introduce specialized loan products for older adults, such as retirement planning loans or low-risk investment loans. These could cater to financial needs that align with this group's life stage and financial goals.

**3. Promote Education Loans with Competitive Rates**

With Education as the leading purpose for loan applications, offering competitive interest rates and flexible repayment options could help increase approval rates. Banks could also consider partnerships with educational institutions to streamline the loan process and offer additional incentives.

**4. Reassess Risk for Personal Loans**

Given the high denial rates for Personal Loans, a reassessment of the criteria for approval might be necessary. Consider offering smaller loan amounts initially to applicants or introducing a tiered interest rate based on credit risk. Enhanced credit counseling and financial literacy programs may help applicants improve their profiles for future approvals.

**5. Support Borrowers with Higher Educational Qualifications**

Since Bachelor’s degree holders account for the highest loan amounts, financial institutions could provide preferential terms for higher education graduates, such as lower interest rates or fast-track approvals. This could be a way to incentivize well-qualified borrowers and reduce loan risk.

**6. Leverage Credit Score Insights for Better Loan Decisions**

As higher credit scores correlate with loan approvals, banks should use this data to refine credit score cut-offs for various loan products. Consider implementing educational campaigns on credit score improvement for borrowers and offering credit monitoring services.

**7. Prioritize Mortgage Holders for Loan Products**

Given that Mortgage holders have higher credit scores, banks should consider them as a lower-risk group. Special loan packages, like lower rates or pre-approved credit offers, can be extended to mortgage holders to take advantage of their typically higher financial reliability.

**8. Adjust Loan Products Based on Loan Intent Trends**

Education and Venture loans show the highest approval rates, suggesting a lower risk. Banks could expand these loan categories and streamline the application process for these purposes. Conversely, stricter criteria might be required for riskier loan categories like Personal Loans, potentially including a more detailed financial background check or collateral requirements.

**9. Develop Financial Education Programs**

To improve loan approval rates across various demographics, especially in riskier categories, offering financial literacy programs can help applicants better manage their credit and financial planning. This could be in the form of webinars, workshops, or one-on-one consultations.

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