BANK LOAN REPORT TERMINOLOGIES

Fields Used in Data

**Loan ID**

**Purpose:** A unique identifier assigned to each loan application or account, serving as a primary key for tracking and managing individual loans.

**Use for Banks**: Efficiently managing and tracking loans throughout their lifecycle, organizing loan records, monitoring repayments, and addressing customer inquiries.

**Address State**

**Purpose:** Indicates the borrower's location, assisting in assessing regional risk factors, compliance with state regulations, and estimating default probabilities.

**Use for Banks:** Identifying regional trends in loan demand, adjusting marketing strategies, and managing risk portfolios based on geographic regions.

**Employee** **Length**

**Purpose:** Provides insights into the borrower's employment stability, with longer durations indicating greater job security.

**Use for Banks:** Considering employment length when assessing a borrower's ability to repay, as stable employment often translates to a lower default risk.

**Employee** **Title**

**Purpose:** Specifies the borrower's occupation or job title, helping lenders understand the source of the borrower's income.

**Use for Banks:** Verifying income sources, assessing the borrower's financial capacity, and tailoring loan offers to different professions.

**Grade**

**Purpose:** Represents a risk classification assigned to the loan based on creditworthiness, with higher grades signifying lower risk.

**Use for Banks:** Pricing loans and managing risk, with higher-grade loans typically receiving lower interest rates and being more attractive to investors.

**Sub** **Grade**

**Purpose:** Refines the risk assessment within a grade, providing additional risk differentiation.

**Use for Banks:** Offering a finer level of risk assessment, helping banks tailor interest rates and lending terms to match borrower risk profiles.

**Home** **Ownership**

**Purpose:** Indicates the borrower's housing status, offering insights into financial stability.

**Use for Banks:** Assessing collateral availability and borrower stability, as homeowners may have lower default rates.

**Issue** **Date**

**Purpose:** Marks the loan's origination date, crucial for loan tracking and maturity calculations.

**Use for Banks:** Tracking loan aging, calculating interest accruals, and managing loan portfolios.

**Last** **Credit** **Pull** **Date**

**Purpose:** Records when the borrower's credit report was last accessed, helping monitor creditworthiness.

**Use for Banks:** Tracking credit history updates, assessing credit risk, and making informed lending decisions.

**Last** **Payment** **Date**

**Purpose:** Marks the most recent loan payment received, tracking the borrower's payment history.

**Use for Banks:** Assessing payment behavior, calculating delinquency, and projecting future payments.

**Loan** **Status**

**Purpose:** Indicates the current state of the loan (e.g., fully paid, current, default), tracking loan performance.

**Use for Banks:** Monitoring loan health, categorizing loans for risk analysis, and determining provisioning requirements.

**Next** **Payment** **Date**

**Purpose:** Estimates the date of the next loan payment, assisting in cash flow forecasting.

**Use for Banks:** Using this date for liquidity planning and to project revenue from loan portfolios.

**Purpose**

**Purpose:** Specifies the reason for the loan (e.g., debt consolidation, education), helping understand borrower intentions.

**Use for Banks:** Segmenting and customizing loan offerings, aligning loan terms with borrower needs.

**Term**

**Purpose:** Defines the duration of the loan in months, setting the repayment period.

**Use for Banks:** Structuring loan agreements, calculating interest payments, and managing loan maturities.

**Verification** **Status**

**Purpose:** Indicates whether the borrower's financial information has been verified, assessing data accuracy.

**Use for Banks:** Gauging data reliability, verifying income, and evaluating loan application credibility.

**Annual** **Income**

**Purpose:** Reflects the borrower's total yearly earnings, assessing repayment capacity.

**Use for Banks:** Determining loan eligibility, calculating debt-to-income ratios, and evaluating creditworthiness.

**DTI** (**Debt**-**to**-**Income** **Ratio**)

**Purpose:** Measures the borrower's debt burden relative to income, gauging the borrower's capacity to take on additional debt.

**Use for Banks:** Assessing a borrower's ability to handle loan payments and make responsible lending decisions.

**Installment**

**Purpose:** The fixed monthly payment amount for loan repayment, including principal and interest.

**Use for Banks:** Structuring loan terms, calculating amortization schedules, and assessing payment affordability.

**Interest** **Rate**

**Purpose:** Represents the annual cost of borrowing expressed as a percentage, determining the loan's cost.

**Use for Banks:** Pricing loans, managing profit margins, and attracting investors.

**Loan** **Amount**

**Purpose:** The total borrowed sum, defining the principal amount.

**Use for Banks:** Determining loan size.