Meet Arnold

➔ He took a loan in 2019 of 2 Million kenya shillings

➔ He has been paying the loans for two years in particular 2020, a year ravaged by the effects of Covid 19

➔ He has been taking records of his payments to the bank for those two years

Analysis

For the period of 2019, Arnold had financial anemia that made his monthly repayments difficult. This saw the resulting charges levied being high. This continued through the last two quarters of 2019 upto the first two quarters of 2020.

From the chart we can see at the aforementioned time period, the peak(s) for payments were Kes. 120,000 while the bank charges was Kes. 58,969

This can be attributed to the high repayment that happens during the first period of such loans which is fairly normal.

During the mid to last quarters for 2020, we observe that the payments and bank charges begin to decrease concurrently. Arnold was fairly consistent with his monthly loan repayments. The resulting charges levied were fairly low and manageable. Further to this, during this time period is when the Covid-19 Pandemic was at its peak in the country and to cushion business owners from incurring large debts the govt directed banks to suspend the charges .

Trend of loan repayments and balance over time

Stagnation during the Covid 19 period
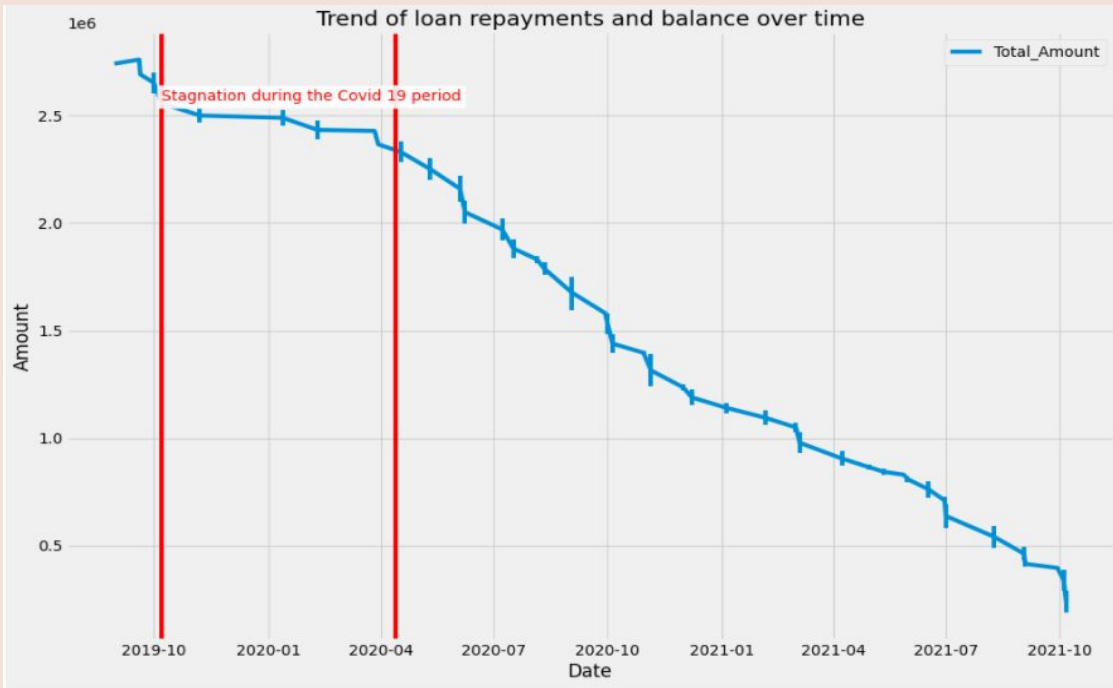
→ There was a point of stagnation when the covid 19 hit
→ He has been paying consistently since then for 2 years

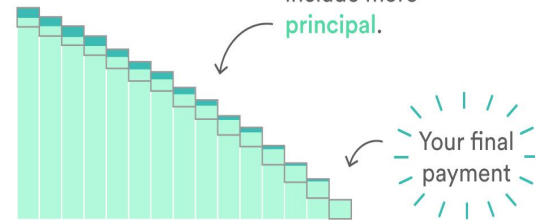→ Arnold's repayment graph is a near normal trend when compared to the image on the right.

How do payments change over the life of a loan?

As the principal gets smaller with each payment, less interest accrues.

Later payments will include more principal.

Early payments include relatively more interest.

Your final payment

The graph on the left shows two key figure trends.

The Green represents the monthly payments made by Arnold for the duration of loan.

The Red represents the bank charges.

It's clear to see that for the duration of the repayment of the loan, Arnold was subjected to very high charges resulting from either late or no payments on the due date.

Summary

Arnold's loan repayment journey though long and arduous fit the conventional/expected loan repayment schedule i.e. a normal trend.

His credit score rating will undoubtedly be a good one and should he need to take another loan from the same bank; they would not only consider him for the facility but also offer him either a lower interest rate or a longer repayment period thus reducing his monthly payment amount.

The impact of visualizing such data is crucial in being able to interpret the data in a simpler and more insightful manner. With the use of colorful libraries and code that cleans,organizes and analyzes the raw data into simple information decision making is accelerated for both the lender and the borrower.