BANK LOAN REPORT

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TERMINOLOGIES USED

Fields Used in Data

Loan ID: A unique identifier for each loan, used by banks to track, manage, and organize loans, monitor repayments, and handle customer queries.

Address State: Shows the borrower's location, helping banks assess regional risks, follow regulations, spot demand trends, and manage risk portfolios by geography.

Employee Length: Reflects a borrower's job stability. Banks use it to gauge repayment ability, as longer employment often signals lower default risk.

Employee Title: Indicates the borrower's job role, helping banks verify income sources, assess financial capacity, and customize loan offers by profession.

Grade: A risk rating based on creditworthiness. Banks use it to set loan pricing and manage risk, with higher grades linked to lower interest rates and safer investments.

Sub Grade: Provides a more detailed risk assessment within a grade, allowing banks to fine-tune interest rates and loan terms based on borrower risk.

Home Ownership: Shows the borrower's housing status, helping banks gauge financial stability and collateral availability, with homeowners often posing lower default risk.

Issue Date: The loan's start date, used by banks to track loan age, calculate interest, and manage portfolios.

Last Credit Pull Date: Indicates when the borrower's credit report was last checked, helping banks monitor credit history, assess risk, and guide lending decisions.

Last Payment Date: Records the most recent loan payment, helping banks track payment history, assess delinquency, and forecast future payments.

Loan Status: Shows the current condition of a loan (e.g., current, paid, default), helping banks monitor performance, assess risk, and determine provisions.

Purpose: States the reason for the loan, helping banks understand borrower intentions and tailor loan offerings accordingly.

Term: Specifies the loan duration in months, guiding banks in structuring agreements, calculating interest, and managing maturities.

Verification Status: Indicates whether the borrower's income or information has been verified, helping banks assess reliability and reduce lending risk.

Next Payment Date: Indicates the upcoming loan payment, helping banks with cash flow forecasting, liquidity planning, and revenue projections.

Annual Income: Shows the borrower's yearly earnings, used by banks to assess eligibility, calculate debt-to-income ratios, and evaluate repayment capacity.

DTI (Debt-to-Income Ratio): Compares a borrower's debt to income, helping banks evaluate repayment ability and make sound lending decisions.

Instalment: The fixed monthly loan payment (principal + interest), used by banks to structure terms, plan amortization, and check payment affordability.

Interest Rate: The annual borrowing cost (in %), used by banks to price loans, manage margins, and appeal to investors.

Loan Amount: The total sum borrowed (principal), used by banks to define loan size and structure repayment terms.