**Power BI Dashboard Report:**

**Borrower Credit Profile**

**Introduction**

This report comprehensively analyzes borrower credit profiles based on key metrics such as average credit scores, debt-to-income (DTI) ratios, credit inquiries, and loan performance. Through actionable insights derived from this Power BI dashboard, stakeholders can better understand the financial behaviors of borrowers and identify opportunities to enhance risk management and borrower engagement strategies.

### ****1. Average Credit Score****

**Metric:** 708.50  
**Insight:**  
The average credit score of 708.50 among borrowers reflects a borrower base with generally good financial health. This indicates a level of responsibility and reliability, suggesting that the majority of borrowers are low-risk in terms of default potential.

**Actionable Insight:**  
Maintaining and improving the average credit score can be facilitated through borrower education programs focused on credit management. Engaging borrowers with tools and resources to maintain or improve their credit profiles could further reduce loan default risks.

### ****2. Count of Current Credit Lines****

**Metric:** 77.56K  
**Insight:**  
This metric represents the total number of current credit lines, offering a snapshot of credit utilization patterns. A higher number of credit lines may imply a broader borrowing habit, while fewer lines might indicate conservative financial behavior.

**Actionable Insight:**  
Understanding borrowing patterns allows financial institutions to tailor products and services. For instance, borrowers with fewer credit lines may benefit from financial counseling to explore diversified credit options, while those with many lines may require additional risk monitoring.

### ****3. Average Debt-to-Income (DTI) Ratio****

**Metric:** 0.26  
**Insight:**  
A DTI ratio of 0.26 suggests that borrowers are generally using 26% of their income to repay debt, which is a healthy indicator of debt management. This metric helps assess the financial stability of the borrower base and their ability to manage loan repayments.

**Actionable Insight:**  
Institutions could offer proactive debt management services to maintain or improve this ratio, ensuring that borrowers with higher DTI ratios receive personalized guidance to reduce their debt burden and maintain financial stability.

### ****4. Inquiries in the Last 6 Months****

**Metric:** 109K  
**Insight:**  
A high volume of credit inquiries within a short period can indicate financial stress or heightened borrowing needs, potentially increasing default risks. Frequent inquiries are often associated with a higher risk profile.

**Actionable Insight:**  
To mitigate risk, institutions could implement stricter credit checks for borrowers with frequent inquiries and provide financial literacy programs to help borrowers better manage their credit needs and avoid overextending themselves.

### ****5. Average Bankcard Utilization Rate****

**Metric:** 0.70  
**Insight:**  
A bankcard utilization rate of 70% signals that borrowers are using a significant portion of their available credit, which could be a red flag for financial strain if this rate remains consistently high.

**Actionable Insight:**  
Institutions could introduce monitoring mechanisms to alert borrowers when their utilization rate is too high, encouraging them to lower usage and improve credit scores over time.

### ****6. Average Current Credit Lines by Employment Status****

**Insight:**  
Self-employed individuals average 11 credit lines, while part-time workers average 7. This differentiation in credit behavior helps institutions understand how employment status influences credit line usage and risk.

**Actionable Insight:**  
Institutions can create tailored financial products catering to different employment statuses, ensuring that credit offerings align with the specific borrowing behavior and financial stability of each group.

### ****7. Average Debt-to-Income Ratio by Loan Performance****

**Insight:**  
DTI ratios tend to decrease as loan performance improves, indicating a strong correlation between lower debt burdens and better loan outcomes. Borrowers with 'Excellent' loan performance have the lowest DTI ratios, emphasizing the importance of maintaining manageable debt levels.

**Actionable Insight:**  
Institutions should focus on lowering DTI ratios through debt counseling and personalized repayment plans, which can lead to improved loan performance and reduced default rates.

### ****8. Distribution of Credit Score****

**Insight:**  
The distribution chart shows a strong concentration of borrowers with higher credit scores, further reinforcing the overall positive credit profile of the borrower base.

**Actionable Insight:**  
By identifying and targeting segments with lower credit scores, institutions can provide credit improvement programs to help these borrowers move into higher score brackets, reducing risk across the portfolio.

### ****9. Average Bankcard Utilization Rate by Year****

**Insight:**  
Changes in bankcard utilization rates over time provide insights into how borrower behavior adapts to economic conditions. For example, spikes in utilization might correspond to economic downturns or periods of high consumer spending.

**Actionable Insight:**  
Tracking these patterns helps institutions adjust credit offerings and risk management strategies to respond proactively to shifts in borrowing behavior driven by external factors.

### ****10. Default Rate by Total Inquiries****

**Insight:**  
The positive correlation between credit inquiries and default rates highlights the increased risk associated with frequent credit checks. This reinforces the importance of careful borrower assessment during the lending process.

**Actionable Insight:**  
Financial institutions should develop more stringent lending criteria for borrowers with high inquiry volumes, potentially reducing the likelihood of defaults through pre-emptive risk assessments and targeted borrower support.

### ****11. Credit Score Range Filter****

**Insight:**  
The credit score range filter allows for focused analysis on specific borrower segments. By filtering for higher or lower credit scores, institutions can identify key trends and opportunities within different risk categories.

**Actionable Insight:**  
This tool enables targeted marketing and product offerings for different borrower segments, helping institutions maximize their impact and reduce risks.

### ****12. Filters for Employment Status, Year, Month, and Borrower State****

**Insight:**  
These filters provide additional layers of granularity for analysis, allowing institutions to explore how credit behaviors vary across employment types, time periods, and geographic locations.

**Actionable Insight:**  
Using these filters to identify trends can inform more localized or industry-specific credit strategies, ensuring that offerings align with the unique needs of different borrower segments.

**Conclusion** The insights provided by this Power BI dashboard offer stakeholders a clear view of the credit profiles and behaviors of borrowers. By leveraging this data, financial institutions can make informed decisions to manage risk, support borrowers, and optimize loan performance. Regular monitoring and updating of these metrics will ensure continuous improvement in borrower engagement and credit portfolio management.