

# Bank Loan Report

## Terminologies Used in Data

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### Core Identifiers & Loan Information

- **Loan ID**
    - **Purpose:** Unique identifier for each loan application/account.
    - **Use for Banks:** Tracks and manages individual loans, monitors repayment history, and supports customer service.
  - **Loan Amount**
    - **Purpose:** Total principal amount borrowed.
    - **Use for Banks:** Determines loan sizing and influences interest calculations.
  - **Term**
    - **Purpose:** Duration of the loan in months.
    - **Use for Banks:** Structures repayment schedules and calculates maturity dates.
  - **Interest Rate**
    - **Purpose:** Annual cost of borrowing expressed as a percentage.
    - **Use for Banks:** Determines loan pricing and profit margins.
  - **Instalment**
    - **Purpose:** Fixed monthly repayment amount (includes principal and interest).
    - **Use for Banks:** Helps assess borrower affordability and calculate amortization.
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### Borrower Demographics & Financials

- **Address State**
  - **Purpose:** Indicates the borrower's location.
  - **Use for Banks:** Analyses regional trends, assesses risk, and ensures regulatory compliance.

- **Employee Title**
    - **Purpose:** Job title or occupation of the borrower.
    - **Use for Banks:** Verifies income sources and categorizes borrowers by profession.
  - **Employee Length**
    - **Purpose:** Duration of current employment.
    - **Use for Banks:** Evaluates job stability and repayment reliability.
  - **Home Ownership**
    - **Purpose:** Indicates whether the borrower owns a home.
    - **Use for Banks:** Assesses financial stability and collateral availability.
  - **Annual Income**
    - **Purpose:** Total yearly earnings of the borrower.
    - **Use for Banks:** Determines eligibility and calculates debt-to-income ratio.
  - **DTI (Debt-to-Income Ratio)**
    - **Purpose:** Measures debt burden relative to income.
    - **Use for Banks:** Assesses repayment capacity and lending risk.
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## **Loan Performance & Verification**

- **Loan Status**
  - **Purpose:** Indicates current loan condition (e.g., current, fully paid, default).
  - **Use for Banks:** Monitors loan health and segments portfolios by risk category.
- **Verification Status**
  - **Purpose:** Confirms whether borrower's financials were verified.
  - **Use for Banks:** Assesses credibility and mitigates fraud risk.
- **Last Payment Date**
  - **Purpose:** Records the most recent payment made.
  - **Use for Banks:** Evaluates borrower behaviour and identifies delinquency.

- **Next Payment Date**
    - **Purpose:** Expected date of the upcoming payment.
    - **Use for Banks:** Aids in cash flow forecasting and collection planning.
  - **Last Credit Pull Date**
    - **Purpose:** Most recent date of borrower's credit evaluation.
    - **Use for Banks:** Monitors credit updates and helps reassess risk.
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## Purpose & Classification

- **Purpose**
  - **Purpose:** Describes the reason for taking the loan (e.g., education, debt consolidation).
  - **Use for Banks:** Customizes offerings and categorizes borrowers by intent.
- **Grade**
  - **Purpose:** Credit risk grade assigned to the borrower.
  - **Use for Banks:** Influences interest rates and risk stratification.
- **Sub Grade**
  - **Purpose:** Sub-classification within the credit grade.
  - **Use for Banks:** Provides granular risk analysis for better pricing and decision-making.
- **Issue Date**
  - **Purpose:** Date the loan originated.
  - **Use for Banks:** Tracks lifecycle of the loan and maturity forecasting.