Data Flow Diagram for Loan Application

The following is a Data Flow Diagram of a loan application. The loan application is first submitted to a local bank. The bank then will request information and records of the applicant (credit score, past loan records, income, etc.) from other banks and financial institutions. It will also use whatever records it has of the applicant locally (such as data from the applicant's bank account at the bank where they are applying the loan). Finally, the bank may also use macroeconomic data such as market trends, price levels, and overall status of the economy to train a predictive model. Using all those information, the bank will then apply the trained model to determine whether or not they should approve or deny the loan application based on the probability of the applicant to default on the loan. The decision will also be saved to the bank's own record for the applicant's profile.