CIT591 Team 53 Final Project: Commercial Property Financing Application Screening Scoring

Note the **users** of the scoring system is the bank’s internal employees including account manager who deals with loan applicants, credit department who evaluates the applications and risk managers who selectively review the applications.

The user input category below includes the loan specific data from the potential borrower, from third-party professional reports (appraisal, building inspection, environment site assessment report) and some individual borrower financials but input by the bank employees. The external data extract are more generic data such as US T-Bond yield, Cap rate reports for each property type in different markets

**Data Source**

1. **User input:**

* Loan amount: how much the potential borrower is asking for. (for calculation of P1)
* Property address: for P4.1 and P4.2
* Vacancy rate: from appraisal (P3)
* Property location neighborhood score: from appraisal (P4.2)
* Tenant quality: from rent rolls & leases (P5)
* Property age and condition: from appraisal or building inspection report (P6)
* Environmental Site Assessment: from ESA reports (P7)
* Individual borrower’s net worth: from borrower’s bank + investment statements (IB1)
* Borrower’s experience in industry (IB2 & CB3)
* Borrower’s FICO score: credit officer pulls the score after obtaining borrower’s consent (IB3)
* Borrower’s payment history: for existing borrowers (IB4 & CB4)
* Loan covenant (on overall score page)

1. External data extract

* Population of the city/town (P4.1)
* Current assets (for calculation of CB1)
* Current liabilities (for calculation of CB1)