**CHAPTER TWO**

**Literature Review**

**2.1 Introduction**

The purpose of this chapter is to show how the problem under consideration relates to prior research, current practice, or other fields of knowledge by citing relevant works by other researchers who have dealt with a similar issue. Furthermore, this chapter will include a synthesis of current research on the issue, highlighting areas of agreement, disagreement, and gaps in the literature, to establish the significance of the project topic in the field and to recommend opportunities for future study.

**2.2 Literature Review**

Kamruzzaman (2019). Design and Implementation of Loan Management System using ISI Server, PHP, and MySql. Credit institutions are crucial organizations that play a significant role in society and the contemporary economy by providing loans to individuals, corporations, and other organizations. Before the establishment of such organizations, there was no safe location for individuals and companies to obtain credit, which generated a great deal of confusion. The proposed loan management system consolidates diverse loan portfolios on a single platform to aid in the atomization of credit institution service and management.

Furthermore, the paper proposes an architecture for a loan management system based on ISI Server, PHP, and MySql. Clients, an internet connection, a server, and credit institution branches are the four key components of the proposed architecture. Clients may register, apply for, and track their loans online using a desktop, laptop, portable tablet, or mobile device. However, this article demonstrates the design and implementation of a system for handling credit institution loans using the ISI web Server, PHP, and the MySql database.

In conclusion, this paper demonstrates how easily a client can apply for a loan from anywhere using a desktop computer, portable laptop, tablet, or mobile device; how effectively a loan underwriter verifies and approves the loan from the system; and how the system automatically informs the client with the information they need to proceed. From prospecting to closing, the proposed system manages and analyzes different loan portfolios from multiple locations via a single platform. It also makes decision-making and loan management easier.

Chaudhari et al. (2021). Student Micro Loan Management System. Every day, a new financial product is introduced by a bank or a financial organization. Some applications should be required to promote this product. In the ever-changing financial world, lenders and students are looking for innovative, contemporary, and digital approaches to handle their loans through an automated management system that will reduce their effort. This system is required to make the process more adaptable, scalable, agile, and rapid while also being more inexpensive and dependable. As a result, this application will be beneficial. As the name implies, this program delivers student microloans from vetted sources of no interest to students as a non-profit service.

Moreso, the work will be a complete Stack project and offer functionality like User Authentication, installation door, and contact support. In the proposed method, students will submit requests using our web app platform. All relevant data should be filled out and uploaded by the student for admin verification. Then a link will be created with the current lender's database, and information about students will be presented on the lender's application. Following the lender's choice, the money loan procedure will continue. With the necessary EMI payment information

In conclusion, the developed framework can supply little advances to students for a certain period and minimize the burden on banks that issue credits for a larger scope. These small advances are determined by the needs of the student and can be met by independent loan specialists. Any student may apply for the credit to the extent that the student meets the base criteria that will be met. Instead of the tedious old approaches, this framework will allow students to manage their credits more straightforwardly.

Santos (2021). Development of a Browser-Based Cooperative Records Management with a Loan Assessment System. In automating cooperative transactions with various stakeholders, cooperative issues have been handled. It has transitioned from manual to automated transactions, provides real-time and accurate computations, sound decision-making mobility and secured data access, user satisfaction to encourage customer loyalty, implements security measures on records management, and, most importantly, incorporates cooperative policies and procedures into the system.

Furthermore, purposive sampling was used to choose 100 responders who were designated as cooperative experts by the members. The descriptive quantitative research design was used to collect respondents' perspectives on the cooperative current system over CRMLAS. The research also makes use of the system development life cycle, which defines the stages involved in the creation of information systems. In the construction of the system, the researcher used a variety of application software. According to the findings, all cooperative stakeholders desired to install the CRMLAS system, which provides quicker, more effective, efficient, and reliable cooperative transactions to its stakeholders. The KMPCI members strongly advocate that the proposed system be fully implemented for quicker report creation, information system security, and effective and efficient cooperative operations.

In conclusion, the researcher acknowledges that collaboration among organizational stakeholders will aid in the achievement of the study objectives of developing a complex system that will necessitate innovation at both the technical and social levels in the cooperative. The CRMLAS system was implemented at Kanhilangsad Multi-Purpose Cooperative Incorporated to improve the current transaction system, which allowed quicker, more efficient, and more reliable cooperative transactions.

**2.3 Summary of Related Literature Reviews**

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| **Author & Year** | **Title & Description** | **Merit and Demerits** |
| Kamruzzaman (2019). | Design and Implementation of Loan Management System using ISI Server, PHP, and MySql  The purpose of this project is to build and construct a loan management system using ISI Server, PHP, and MySql that not only handles the loan portfolios of clients but also streamlines decision-making and loan management operations. | The system provides a platform where clients can apply for a loan from anywhere.  The system is limited only to the web and an internet connection is required |
| Chaudhari et al. (2021). | Student Micro Loan Management System.  Student Micro Loan Management System is an application that provides users with information about the many forms of loans accessible to students. | This system is a non-profit application that provides students with loans with no interest rate.  The system might lack scalability. |
| Santos (2021). | Development of a Browser-Based Cooperative Records Management with a Loan Assessment System.  CRMSLAS is a browser-based transaction system that enables cooperative members to conduct transactions in a safe and resilient environment. | The CRMLAS has eliminated issues and concerns about loan  records and computation.  The system lacks a good user interface. |

**2.4 Analysis of the Current System**

Existing loan management systems involve the use of physical documents and manual processes to track and manage loans. This can include keeping records of loan applications, credit checks, loan agreements, and payments in paper files or binders.

One advantage of the existing loan management systems is that they can be relatively simple and easy to set up, especially for small-scale operations. They also do not require significant technical expertise or specialized software.

However, the existing loan management systems have several disadvantages as well. They are often less efficient than digital systems, as they can be time-consuming to update and search through. They are also more prone to errors, such as data entry mistakes or lost documents. Additionally, manual systems do not provide real-time data and can be difficult to scale up as the volume of loans increases.

Overall, existing loan management systems are suitable for small-scale operations but can become increasingly cumbersome as the volume of loans grows. A computerized loan management system may be more efficient, accurate, and scalable for larger operations.

**2.5 Analysis of the New Proposed System**

The proposed system is a computerized loan management system that automates the process of a loan application, approval, and repayment. This type of system can be used by financial institutions, such as banks or credit unions, to streamline their loan process and make it more efficient. Some key features of the proposed computerized loan management system include:

1. Online loan application: Customers can apply for a loan online, which allows for faster processing times and eliminates the need for in-person visits to a bank or credit union.
2. Electronic document storage: The system can store all of the documentation related to a loan, such as the application, credit report, and loan agreement, electronically.
3. Repayment tracking: The system can track loan repayment by keeping the administrators and the customer when a particular payment is due.

Overall, the proposed computerized loan management system can help financial institutions to process loans more quickly and efficiently, which can lead to increased customer satisfaction and improved business operations.

**References**

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