

Iteration 1: Group Project

Aim: Team Formation and Topic Description

Team members:

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Topic:

Automated Underwriting Process for Financial Institutions: Automating Risk Assessment & Credit Decisions

Motivation (Reason to choose the topic):

- The financial institutions (Banks and NBFCs) currently lose a considerable portion of business by rejecting applications due to hard and soft cut-offs on application scores.
- The applications that do not pass soft cut-off criteria, are then sent to manual underwriters for further decisioning. This process takes somewhere between 30-60 days to complete
- This project aims to by-pass the manual underwriting process and provide decision almost instantly by leveraging data available within the database.
- This would also include a certain population back into the approved base from the rejected base which has benefits of its own:
 - **Increases customer target base** for the banks which serves as a primary KPI.
 - This would **maximize profit** by balancing risk.
 - Connect and establish relation with customers who could have become a part of **competitors' database**.
 - **Leverage non-financial information** such as demography, average income of neighborhood, payment behavior on utilities etc. to provide decisions

Relevance:

- **Data Utilization:** The project aligns with the course by leveraging large datasets available in financial institutions to automate underwriting decisions, emphasizing the importance of effective data management and processing.

- **Data Cleaning/Pre-processing:** The project will involve cleaning, filtering and pre-processing relevant data using different pre-processing techniques like removing missing values, normalization stc
- **Data Visualization:** PowerBI tool will be used to convey the data storytelling part of the project.
- **Data-Driven Decision Making:** Using a variety of data points to support automated decisions exemplifies the practical application of data analytics learned in the course.

Roles and responsibilities:

Rohan: Dataset search, Data cleaning/pre-processing, Documentation

Prateeksha: Data Cleaning/pre-processing, Documentation

Zankhana: Data visualization, Documentation and Report