BESTOWS TREE ONLINE LOAN AGENCY SYSTEM

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ABSTRACT

Lending Tree is an interface which facilitates a customer to apply for a loan from on-line and to track the status from time-to-time along with aiding the loan approval agency to verify and accept/reject the customer file. [2] Lending Tree is unique in such a way, it not only helps the customers but also the loan agency to check the pending, assign it to a departments,complete the formalities and procedures between the departments and arrive at decisions to very fact in addition to providing a transparency system for every one.The customer can directly apply for a loan by selecting a bank and loan type from the list available. The application is received by loan agency who will have three departments- Pick Up, Verification and Legal. This system can be controlled by the administrator. First he will look at the application received and allot the application for a particular employee of pickup department. The employee will go and make a physical verification of the documents at the customers and receives the documents necessary for the loan. Then he logs into this system and forwards the application to the verification department which will verify the whereabouts of the person, his organization, his salary particulars etc. and then forwards the application with a status verified. Then application reaches the legal department. The legal department people will verify the builder details and when satisfied sends their report to the administrator. [5] The administrator or final approving authority views both types of reports, Viz, the reports from verification department and the report legal department. This will help him to take a decision regarding whether to forward it to the bank or not. The same is communicated to the customer.[3]

Keyword: *Lending Tree,Pick Up, Verification , Legal*

1. INTRODUCTION

Nowadays applying a bank loan is too tiresome and time consuming. The number of bank visits never ends with just a few rather, we have to go to the bank for each and every document that has to be submitted. Moreover the updates of the loan process is not given probably. At last getting a bank loan becomes too overwhelming for the loaner.

Observing carefully getting a bank loan becomes too time consuming due to miscommunication between the bank managers and between the bank and the customer. This delay is unintentional by the bank managers but the bank system has to be blamed for the time consuming process. Even though people do their work precisely the probability of losing or misplacing a document is high when it is passes through multiple persons for verification. Many methods are followed with trial and error to avoid this delay without much success.

Hence bestows tree online loan agency system is proposed. This system mainly aims to provide transparency to the customers as well as the clear picture of the previous process to the currently handling manager.

Bestows Tree project is a banking related project which create transparency on loan system between customer, loan agency and banks. In present banking system banks are interlinked with a agencies which will look after basic work on loan system. Customers should submit application to agencies to approve any loan from a

respective bank. [2] These agencies will verify customer details and if it is fills the needs of a bank they will approve and send it to bank for loan approval.This application Lendingtree is an online based application through which customers can submit information to agencies for verification. Agencies can update status of the applications through online using features like approved, rejected, and pending. Using this application can reduce time and work for customers as well as agencies.

2. LITERATURE REVIEW

The bank extends risky loans to private investors and sells deposits to savers at fixed rates. The uncertainty under which deposit/loan-portfolios are chosen by banks is endogenize through an information system that conveys public signals about the return distribution of bank loans. Transparency in the banking sector is defined in terms of the reliability of these signals. We find that higher transparency always raises expected bank profits, but may lead to a higher or lower expected loan volume. [2] This proposes an information-based concept of uncertainty and, in this setting, revisits the link between uncertainty and bank behavior.[3]The concept is to endogenize the uncertainty in the banking sector through an information system that conveys signals about the return distribution of bank loans extended to private investors.[4]Changing the terms of trade on the risk sharing markets and thus affect the bank's portfolio deci- sion using greater reliability of the information signals.[5]Analyzing the link between the precision of information structures, optimal individual behavior, and economic welfare both in partial equilibrium settings and in full equilibrium

3. DESIGN AND IMPLEMENTATION

3.1 Architecture:

It allows the administrator create, update/delete and view the banks information and it allows admin to create create /update/delete and view different departments and it can create login for different employees in each and every department and it can manage loan interest rates of different banks etc. As mentioned in Fig 3.1.
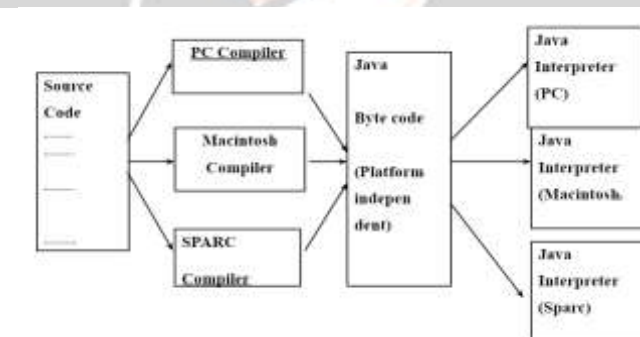

Fig 1: Architecture Diagram

3.2 Pickup:

This module allows the pickup department to view their applications which are assigned to them, collect the documents according to the checklist and forward it to verification department.

3.3 Verification:

This module allows the employees of verification department employees to view the forwarded application from pickup department and check the details as per the documents and forward it to next level.

3.4 Legalization:

This module allows the employee of legal departments to check verify legal documents of the builder, verify the check list and then generate the APF no for the builder.

3.5 Customer:

This module allows the customer to view the interest rates of the banks which we are dealing .Apply for a loan, check the status of the loan at any point of time and communicate with the administrator if necessary.It allows messaging facility for communication.
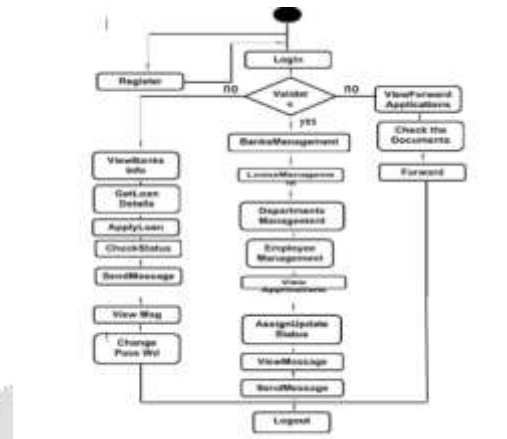

Fig 2: Flow Diagram

// An algorithm for online loan agency system.

Input (I/p)- Customer details like income tax return, personal details etc

Output(o/p)-Is the customer applicable for loan and if yes than all procedures shown online and if no send a message with valid reason

Step 1: Start the application

Step 2: If the user isn't registered, register with the application

Step 3: Login with the respective id and password

Step 4: Upload all the legal documents online

Step 5: Validation of the documents is done

Step 6: If the validation is positive the documents are sent the bank loan

Step 7: The documents are sent from bank management to loan management

Step 8: The loan management department sends the document to various sub divided departments to go through the process of pickup, validate and legalise

Step 9: It allots the APF number once it legalises the document of loan

Step10:The administrator tracks the overall system functionality

Step 11: Meanwhile the process of the sanction is updated online once each department completes its work

Step 12: Finally the application is forwarded to the bank for loan sanction

4. CONCLUSION

In this paper we revisited the decision problem of a bank which acts as financial intermediary between private savers and investors.We have identified higher transparency in the banking sector with a more reliable information system. As such, the degree of transparency determines not only the uncertainty under which the bank chooses its deposit-loan portfolio, but may also affect the terms of trade on a futures market. This information induced interaction adds a new dimension to the bank's decision problem which makes it different from the standard approach with exogenous uncertainty. Our findings may have some practical relevance for the regulation of the banking industry.Due to the model's simplicity, however, these implications should be handled with care. A framework with a richer set of interactions between financial institutions, private investors/savers, and risk sharing arrangements might yield further insights into the role of transparency in the banking sector for the functioning of a market- oriented economy. This is left for future research.

5. ACKNOWLEDGEMENT

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