



Loan Servicing System using PHP

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ABSTRACT:

The success or failure of a credit institution relies heavily on its loan management system, which helps to mitigate the risks associated with mortgage loans that contribute to loan losses. To improve the system's efficiency, this project aims to develop a user-friendly platform that ensures secure data storage and facilitates seamless communication between customers and managers. The Commercial Operations method is aimed to handle the administrative utilities of a bank or non-depository financial institution, resulting in faster response times and efficient day-to-day operations. Among its features are the retrieval of client data, credit approval, interest rate adjustments, and more. The project involves conducting a comprehensive analysis of the loan details, payment settlement, and payment approval processes. Through the implementation of a new computerized system, the project seeks to address issues such as inaccurate and insufficient data and limited time constraints, while providing greater control and more in-depth management information. The new system was subjected to extensive monitoring to ensure that it met financial targets and improved customer management efficiency. Additionally, the project plans to incorporate support for other loan proposals in the future.

Keywords—Effective communication; User-friendly loan system ; Loan proposal management.

I. INTRODUCTION

The primary objective of this development is to streamline the management of lends and funds at a bank. The project has been designed to automate the loan process for both customers and bankers, making it more efficient. Customers can apply for a loan online and track their status in real-time. The Loan Management System is a highly effective process for managing all loan-related transactions accurately and conveniently. This system provides detailed information about customers, loan details, EMI details, and interest rates. Obtaining a loan in India is a time-consuming and complicated process, often taking weeks or even months to be approved. However, this system makes the loan process faster and more accessible for customers (Fig. 1). Additionally, it is a paperless system that reduces the workload for banking staff. This system is particularly helpful for lend management personnel, providing a trustworthy and suitable method for dealing all lend and EMI-related transactions. The Bank Loan Management System provides a unique interface that not only helps customers but also loan agencies. It enables them to check pending loans, assign them to departments, complete formalities and procedures between departments, and make decisions quickly. The choice to implement using PHP was based on its extensive in server-side programming. As reported by similar tech, PHP is one of the most commonly utilized programming languages and is currently powering over 42 million websites.

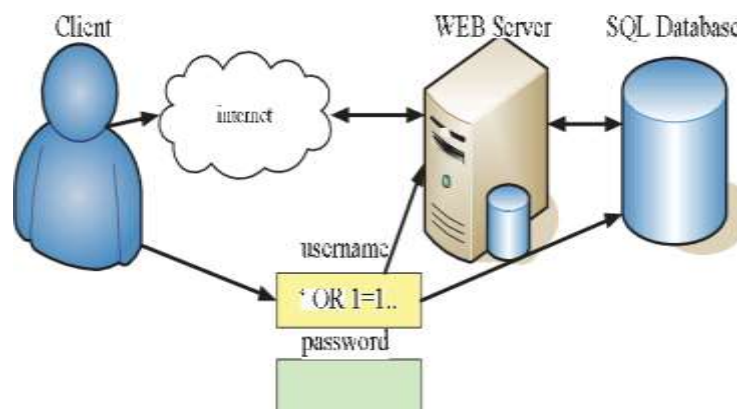


Fig.1: Handling Loan through online

II. LITERATURE SURVEY

In [1], the author of the study establish that here were major differences in the cost as well as profit efficacy of commercial banks in china based on their ownership type. Domestic banks were found to be very capable in terms of both cost and turnover compared to foreign banks, while remote banks had greater cost efficacy but less turnover efficacy compared to local banks.

In [2], according to the author, with the growth of the economy and technology, there is an increase in demand for online applications. Banks provide lends to clients to meet their individual needs. However, every bank facades the challenge of acclaim risk, which arises when the customers fail to repay the loan. To address this issue, the author suggests the application of a self-organizing mapping technique to group customers into different categories. These groups are then analysed to reduce the credit risk faced by the bank.

In [3], the author discusses the challenges that banks face when giving loans to individuals. To mitigate these risks, the author advises lend evaluation using fuzzy model. This considers five contribution variables, including payroll, occupation, appeal, and acclaim history. By this state of affiliation of the semantic terms of the

Output of the fuzzy model ,the applicant's credit upended can be categorized as high level, medium level, or low level.

III. PROPOSED SYSTEM

The loan management system is a comprehensive solution for efficient management of loans. It provides users with easy access to information around innumerable banks and their divisions. With this software, manual data entry is significantly reduced, leading to improved performance. Its user-friendly interface ensures ease of use for all. The system also streamlines customer information and other modules, reducing time and effort. Overall, this software performs all tasks with accuracy and efficiency, making it a valuable tool for loan management

IV. METHODOLOGY

This technique is intended to preserve accounts of customers who takes lends from the bank. The system ensures that loans given by the bank are properly tracked ,This solicitation helps the loan service banks to earn profits by supervising the accounts and recovering the loans effectively.

Users can log in using email and passcode to enter into the system. They can add new customers, manage existing accounts, and perform other tasks. The system provides unique IDs to each customer and borrower, and allows the bank to evaluate loan amounts, rates, and unpaid amounts. Payments made by customers are easily calculated and recorded daily. Bank employees, including managers and cashiers, can assess customers' payment histories and manage their accounts accordingly

V. MODULE DESCRIPTION

There are two leading setups in our system ,the first setup is for consumers and the another setup is for users who achieves all the bank explanations.

Admin:

An administrative account is setup, accounts can be created for users or customers. Management does not have access to the specific details of loan accounts, as only users and customers are able to view them. However, management does have the ability to modify accounts by increasing or decreasing their balances. Once registered, users can log in into the organization with the help of the organization operator.

Add new user accounts:

The primary way to offer lend management is to adding new users .When a client goes to the bank, then they need to create an account or open it. A client having an account in a bank who can take out a lend even though the client apply lend or not. Therefore, to perform various tasks, adding new client information in the database.

Handling lend details:

Additional feature of our loan management system is the capability to track significant loan details of the customers. This includes information such as how many payments have been made by the customer and how many are outstanding, as well as how many instalments have been missed in the past. The system can also calculate when the loan will be fully paid off and track any late payments or penalties incurred by the customer. With this information readily available, the user can easily keep track of the loan status for each customer and take appropriate actions if necessary.

Keeping records:

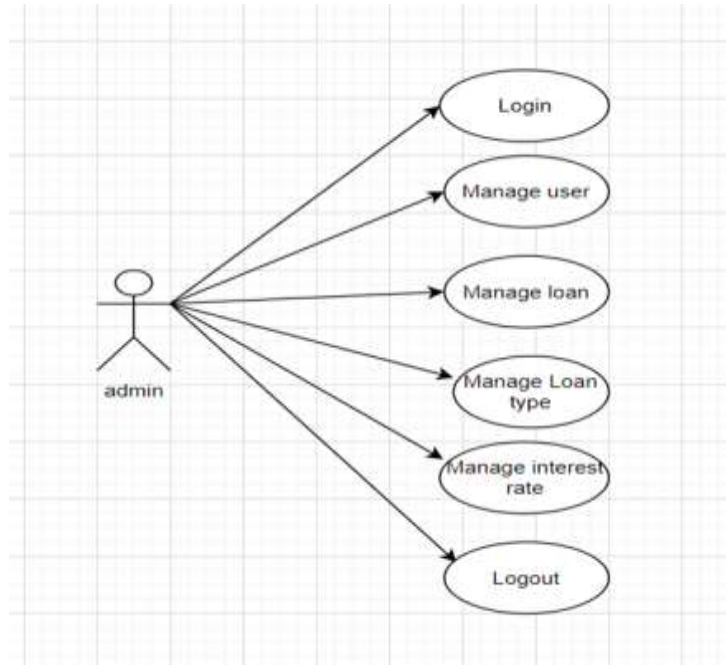
Also it provides customers with the option to update their information and request another loan if needed. Additionally, it is crucial to maintain accurate and organized records of customer information. The system offers a feature that stocks all the records and can be accessed by typing the client user ID and their names whenever needed. This ensures that customer information is easily accessible and up-to-date.

Regular filing and lending rate:

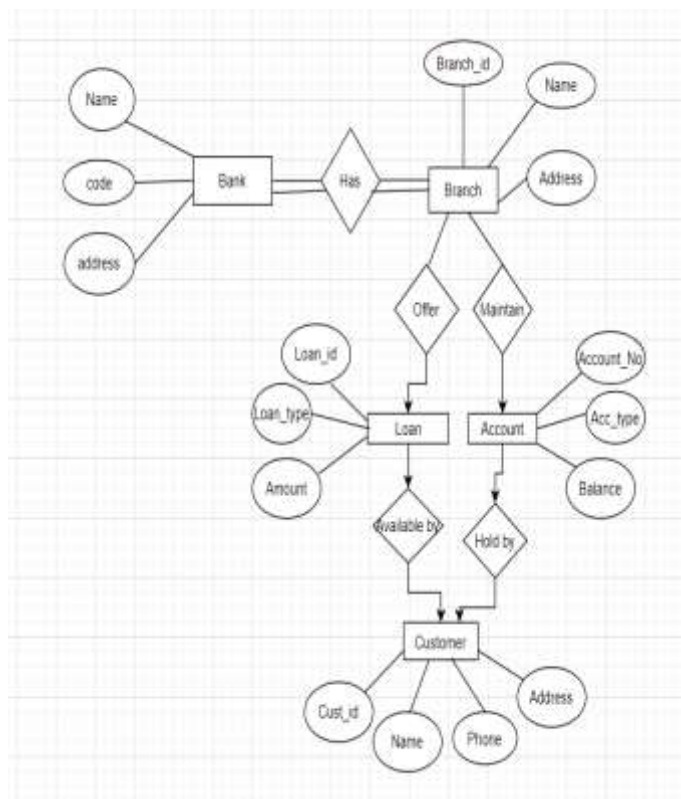
The repurchase agreement rate, which was set by the reserve bank of India, affects the cost per unit for banks, causing them to increase or decrease their rates accordingly. As a outcome, it is significant to confirm that the cost stimulating to customers aligns with the existing rates. The instalment price can also be adjusted as needed, depending on the customer's preferences.

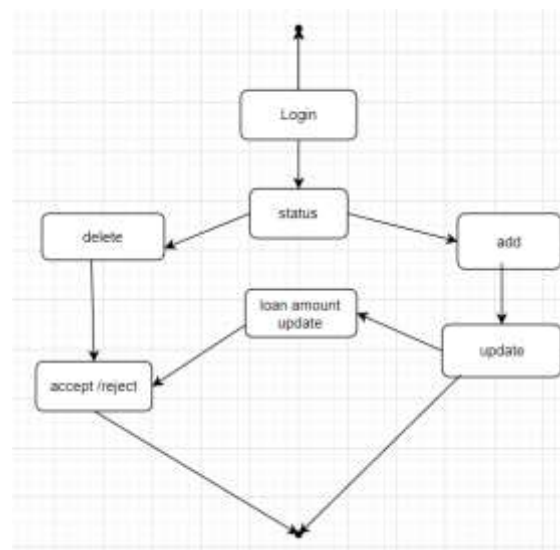
VI. SYSTEM DESIGN

Use case diagram



E-R diagram



Activity diagram**VII. CONCLUSION**

The loan management system is a wide-ranging solution for effectual management of lends. It offers users with tranquil access to information about numerous banks and also its branches. By this software, manual data entry is significantly reduced, leading to improved performance. Its user-friendly interface ensures ease of use for all. The system also streamlines customer information and other modules, reducing time and effort. Although, this software accomplishes all chores with precision and efficacy, making it a treasured tool for loan management.

VIII. REFERENCES

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