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**REVIEWER'S REPORT**

**Manuscript No.: IJAR- 59090**

**Title: When Credit Becomes a Constraint: The Long-Term Debt Paradox of Fintech Lending and Borrower Financial Resilience in India.**

**Recommendation:**

**Accept after minor revision.**

| Rating | Excel. | Good | Fair | Poor |
|---|---|---|---|---|
| Originality | ✓ | | | |
| Techn. Quality | ✓ | | | |
| Clarity | ✓ | | | |
| Significance | ✓ | | | |

**Reviewer Name: Dr. Bishwajit Rout**

**Reviewer's Comment for Publication.**

(*To be published with the manuscript in the journal*)

*The reviewer is requested to provide a brief comment (3-4 lines) highlighting the significance, strengths, or key insights of the manuscript. This comment will be Displayed in the journal publication alongside with the reviewers name.*

1. **Significance**: This research addresses an increasingly important consumer-finance issue by examining whether short-tenor digital loans can collectively generate persistent financial constraints. Its significance lies in separating loan stacking from conventional measures such as borrowing tenure, frequency, and repayment burden. By connecting cross-platform borrowing with over-indebtedness and financial resilience, the study offers relevant insights for FinTech scholarship, responsible lending, consumer protection, and regulation.

2. **Strength**: The manuscript's major strength is its mechanism-based approach rather than treating digital credit risk as a single phenomenon. It combines correlations, regression, group comparisons, dose-response analysis, logistic regression, mediation, and segment tests using 432 borrowers. The theoretical integration of present bias, information asymmetry, financial literacy, rollover behaviour, and resource conservation also provides a potentially valuable multidisciplinary foundation for interpreting loan-stacking behaviour.

3. **Key Insight**: The paper's key insight is that concurrent digital-loan exposure appears more informative than duration, borrowing frequency, or repayment burden for explaining over-indebtedness in this sample. Loan stacking is associated with greater repayment stress and repeat borrowing, while its relationship with financial resilience appears indirect through over-indebtedness. This shifts attention from individual loan tenor toward borrowers' cumulative exposure across multiple lending platforms simultaneously.

***Reviewer's Comment / Report***

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The paper titled *"When Credit Becomes a Constraint: The Long-Term Debt Paradox of Fintech Lending and Borrower Financial Resilience in India."* examines whether short-term FinTech lending in India creates a long-term debt paradox persistent financial constraint despite brief loan tenors. Surveying 432 digital-credit borrowers in Bangalore, it tests usage tenure, borrowing frequency, repayment burden, and concurrent loan stacking against over-indebtedness and financial resilience. Only loan stacking (holding three or more active digital loans) significantly predicts over-indebtedness ($\beta = .131$, $p = .003$) and shows a dose-response effect, with its impact on resilience fully mediated through over-indebtedness. Stacking affects 23.6% of borrowers across segments, highlighting a universal risk and the need for multi-lender exposure tracking.

**Suggestions for Improvement:**

1. Define long-term financial constraint more precisely before mechanism testing.
2. Differentiate contractual loan duration from persistent borrower exposure using a clearer conceptual definition supported by contemporary digital-credit scholarship.
3. Expand recent India-specific empirical literature on digital indebtedness substantially.
4. Strengthen the research gap through systematic comparison showing precisely how existing studies operationalize repeated borrowing, indebtedness, and financial resilience.
5. Provide stronger theoretical justification immediately before each hypothesis statement.
6. Separate multi-outcome hypotheses into individually testable propositions where appropriate.
7. Report measurement scales, reliability, validity, and questionnaire development procedures.
8. Report effect sizes alongside significance tests throughout results consistently.
9. Conduct robustness analyses using alternative stacking thresholds and continuous loan counts to demonstrate that findings are not specification-dependent artifacts.
10. Moderate causal language given the study's cross-sectional observational design.
11. Explain operational feasibility of proposed cross-lender exposure monitoring mechanisms.
12. void treating three active loans as a definitive regulatory intervention threshold unless robustness tests demonstrate materially elevated risk around that point.

The manuscript addresses a timely problem and presents an interesting loan-stacking explanation for persistent financial constraint. However, substantial revision is required before publication in a

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rigorous peer-reviewed journal. The authors should strengthen measurement validation, sampling transparency, regression diagnostics, robustness testing, mediation methodology, literature coverage, and theoretical integration. Most importantly, causal, universal, and structural claims should be moderated because the cross-sectional Bangalore sample establishes associations rather than temporal or causal relationships with national generalizability conclusively. Addressing the identified weaknesses will make it suitable for publication in IJAR.

I recommend this paper for publication after minor revision.