**Loan Analysis**

You work for a **consumer finance company** which specialises in lending various types of loans to urban customers. When the company receives a loan application, the company has to make a decision for loan approval based on the applicant’s profile. Two **types of risks** are associated with the bank’s decision:

• If the applicant is **likely to repay the loan**, then not approving the loan results in a **loss of business** to the company

• If the applicant is **not likely to repay the loan,** i.e. he/she is likely to default, then proving the loan may lead to a **financial loss** for the company.

The data given contains the information about past loan applicants and whether they ‘defaulted’ or not. The aim is to identify patterns which indicate if a person is likely to default, which may be used for taking actions such as denying the loan, reducing the amount of loan, lending (to risky applicants) at a higher interest rate, etc.

**Business Objectives**

The company tasks you to create a model that predicts whether or not the applicants will complete the electronic signature phase of loan application(a.k.a e\_signed “target variable”). The company seeks to leverage this model to identify less quality applicant and experiment with giving them different types of verification process.