

PROJECT AND DESIGN PHASE
PROBLEM STATEMENT

DATE	19 September 2022
TEAM ID	PNT2022TMID28895
PROJECT TITLE	Smart Lender - Applicant Credibility Prediction for Loan Approval
TEAM MEMBERS	KOTHAI S 411719104029 SHARMILA K 411719104046 KALAIVANI L 411719104021 ASHMITHA R 411719104004

Smart Lender - Applicant Credibility Prediction for Loan
Approval

PROBLEM STATEMENT

The credit system governed by the banks is one of the most important factors which affect our country's economy and financial condition. Also, credit risk is one of the main functions of the banking community. People approach banks to fulfill their needs by taking bank loans. This practice has been increasing day by day across the globe, especially for business, education, marriage, agriculture, etc. But several people take advantage and misuse the facilities by giving the fake document to the bank, so banks realize that retaining customers and preventing fraud should be a strategic policy for healthy competition. By using applied data science techniques and machine learning algorithms, we will verify the documents and check the credit score of the person and predict whether the loan is approved or not

PROBLEM STATEMENT:

There is a company named Alibaba Housing Finance that deals in all home loans. They have presence across all urban and rural areas. Customer first apply for home loan after that company validates the customer eligibility for loan. However doing this manually takes a lot of time. Hence it wants to automate the loan eligibility process (real time) based on customer information and verify their documents. So the final thing is to identify the factors/ customer segments that are eligible for taking loan. How will the company benefit if we give the customer segments is the immediate question that arises.