**AUTOMOBILE LOAN DEFAULT PREDICTION**

**Group Name:** **Speed Racers**

**Group Members**

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**Business understanding**

A non-banking financial institution (NBFI) or non-bank financial company (NBFC) is a Financial Institution that does not have a full banking license or is not supervised by a national or international banking regulatory agency. NBFC facilitates bank-related financial services, such as investment, risk pooling, contractual savings, and market brokering.

NBFIs offer loans to its customers to bridge various financial needs and that include car loans. They compete with various other financial institutions to make this lucrative business opportunity profitable. They can give full car financing or a certain percentage of the total request depending on the various attributes of the customer.

**Problem statement**

Like every other industry, technology has had an impact on car financing. Today, both car buyers and financial institutions make decisions on purchases. NBFIs use credit scores calculated from the summation of various parameters to get a sense of whether or not a customer will default on the loan.

NBFIs are struggling to make profits due to an increase in defaults in the vehicle loan category. Our aim is to determine the client’s loan repayment abilities and understand the relative importance of each parameter contributing to a borrower’s ability to repay the loan.

**Objectives**

**Main Objective**

The goal of the problem is to predict whether a client will default on the vehicle loan payment or not.

**Specific objectives**

1. To determine if the gender of the applicant affects the default rate
2. To find out how the occupation of the applicant affects the default rate
3. To determine if the age of the applicant affects the default rate
4. To determine if having different loans affects the default rate
5. To determine if the marital status of the applicant affects the default rate
6. To determine if the amount borrowed affects the applicant's ability to repay
7. To determine if the income of the applicant affects the default rate
8. To determine the relationship between the contract type of the loan and the loan default

**Dataset**

The dataset was obtained from Kaggle.

Dataset [link](https://www.kaggle.com/saurabhbagchi/dish-network-hackathon?select=Train_Dataset.csv)

It has 40 columns and 121,857 rows.