

## Ideation Phase

### Define the Problem Statements

Date	07 September 2022
Team ID	PNT2022TMID53311
Project Name	Smart Lender - Applicant Credibility Prediction for Loan Approval
Maximum Marks	2 Marks

#### Customer Problem Statement Template:

People go to banks to obtain bank loans in order to meet their demands. Around the world, this practice has been growing daily, especially in business, education, agriculture, etc. However, many people take advantage and exploit the services provided by the banks, and as a result, the banks have come to the realization that client retention and fraud prevention should be a strategic policy for healthy competition. The credit system run by banks is one of the key elements determining the economic and financial health of our nation. Banks all across the world accept the concept of bank credit risk evaluation. The methods used to determine risk level are numerous. Credit risk assessment, as we all know, is highly important. Many people request for loans every day, but not all of them are reliable, and not everyone can be accepted. We heard about numerous instances where borrowers were unable to repay their loans in full, leaving the bank with a significant loss. So, a bank's credit line is its primary source of revenue from its clients. We will examine the person's credit score and make a prediction about whether the loan will be authorised or not employing applied data science approaches and machine learning algorithms. This greatly simplifies the loan approval procedure.

Problem Statement (PS)	I am (Customer)	I'm trying to	But	Because	Which makes me feel
PS-1	Bank	Lend money for loan	Unable to decide on lending	Credibility score is not predicted	Confused
PS-2	Developer	Predict loan credibility	Using credit card score	Credibility score prediction needs to be done for first time borrowers	Obliged
PS-3	Borrower	Borrow loan	Delay in process	Credibility has not been predicted	Distressed

