

APPLICANT CREDITABILITY PREDICTION FOR LOAN APPROVAL

PROBLEM STATEMENT:

The main objective of the banking sector is to give their assets in safe hands. But the banks take a very long time for verification and validation process.

To solve this problem, we have developed a system in which we can predict whether the applicant for approving the loan or not.

For the machine learning algorithms.

The system predicts on the basis of the model that has been trained by using the machine learning algorithms.

PROBLEM DESCRIPTION:

The banks want to automate the loan eligibility process based on the applicant details.

The details required for applicant to apply for loan are Name, last name, gender, age, Marital Status, Educational Qualification, Employment, Applicant income, loan amount, loan amount term, credit history, property area, loan status.

To automate this process by using the above details, we can validate the whether the applicant is eligible or not for loan.

The output schemas required is as follows (in a csv file):

For the purpose of predicting the loan approval status of the applied customer, we have chosen the machine learning.

Loan amount term based on the number of years. The accuracy range of the rest of the algorithms were from 75% to 85%. Whereas the logistic regression gave us the best possible accuracy (88.70%) after the comparative study of all algorithms.

