Project Design Phase-I
Proposed Solution Template

Date	19 September 2022
Team ID	PNT2022TMID52712
Project Name	Project - Smart Lender - Applicant Credibility Prediction for Loan Approval
Maximum Marks	2 Marks

Proposed Solution Template:

Project team shall fill the following information in proposed solution template.

S.No.	Parameter	Description
1.	Problem Statement (Problem to be solved)	As we know that now-a-days there is a rapid growth in banking sector, resulting lots of people are applying for bank loans. Finding out the applicant to whom the loan will be approved is a difficult process. The process of bank credit risk evaluation is recognized at banks across the globe. As we know credit risk evaluation is very crucial, there are a variety of techniques used for risk level calculation. In addition, credit risk is one of the main functions of the banking community. The prediction of credit defaulters is one of the difficult tasks for any bank. But by forecasting the loan defaulters, the banks definitely may reduce their loss by reducing their non-profit assets
2.	Idea / Solution description	We aim to make use of machine learning to make better financial predictions and understand the banking sector's lending applications and the creditworthiness of individuals and organizations.
3.	Novelty / Uniqueness	This system automatically selects the eligible candidates. This is helpful to both bank staff and applicant. The time period for the sanction of loan will be drastically reduced.

		Performance and accuracy of the algorithms can be calculated and compared and Class imbalance can be dealt with machine learning approaches.
4.	Social Impact / Customer Satisfaction	Using this system would significantly improve the banking ecosystem and reduce the loan defaulting rates that banks currently see. This would also allow the clients to borrow based on their past records and better understand their borrowing capacity.
5.	Business Model (Revenue Model)	Finance application: Example, BOB World. Our system could prove to be useful for both banks as well as their customers.
6.	Scalability of the Solution	The system, being dynamically and modularly developed, allows for much modification and large scalable operations. More data when made available can be processed and produce efficient results. This system is easily and efficiently scalable.