

Project Design Phase-I
Proposed Solution Template

Team ID: PNT2022TMID15942

Project Name: Smart Lender - Applicant Credibility Prediction for Loan Approval

Proposed Solution Template:

S.No.	Parameter	Description
1.	Problem Statement (Problem to be solved)	<ul style="list-style-type: none">➤ To Predict Loan Approval by using Machine Learning.
2.	Idea / Solution description	<ul style="list-style-type: none">➤ This is a classification problem in which we need to classify whether the loan will be approved or not.➤ Classification refers to a predictive modeling problem.➤ On the basis of the results, a modified prediction model will be created to ensure maximum accuracy and performance.
3.	Novelty / Uniqueness	<ul style="list-style-type: none">➤ The customer first applies for a home loan and after that, the company validates the customer eligibility for the loan.➤ The prediction model not only helps the applicant but also helps the bank by minimizing the risk and reducing the number of defaulters.
4.	Social Impact / Customer Satisfaction	<ul style="list-style-type: none">➤ These create an impact on crisis for the Bank and customer.➤ This can be useful in reducing the time and manpower required to approve loans and filter out the perfect candidates for providing loans results in customer satisfaction
5.	Business Model (Revenue Model)	<ul style="list-style-type: none">➤ A loan needs to be approved manually by the bank which means that person will be responsible for whether the person is eligible for the loan or not and also calculating the risk associated with it.➤ If the banks lose too much money, then it will result in a banking crisis. These banking crisis affects the economy of the country.

6.	Scalability of the Solution	<ul style="list-style-type: none"> ➤ The algorithm creates a prediction that generally gives a high accuracy in making problems. ➤ So, it is very important that the loan should be approved with the least amount of error in risk calculation while taking up as the least time possible. ➤ A loan prediction model is required that can predict quickly whether the loan can be passed or not with the least amount of risk possible.
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