

Ideation Phase

Define the Problem Statements

Date	23 October 2022
Team ID	PNT2022TMID37263
Project Name	Smart lender applicant credibility prediction for loan approval
Maximum Marks	2 Marks

PROBLEM STATEMENT :

Every person must be prepared to face circumstances in which he/she might have to borrow money from a bank. While credit cards have made short-term financing quite easy, some individuals sometimes seek a particular type of loan. For example, a person building a house may seek a house-building loan or a person looking forward to purchasing a car might look for an option in that particular section. Thus, knowing the proper steps to applying for a loan is extremely necessary in order to select the best option and successfully achieving it. By this creditability testing by the use of machine learning bank can get source about the he/she. This will help them to provide the loan. Based on the credibility derived the bank can decide for the loan.

Customer Problem Statement

I am	IBM
I'm trying to	Smart lender applicant credibility prediction for loan approval.
but	It is for the all type of loans by giving the idea by credibility prediction.
because	For the bank to get the prediction of the loan lender.
which makes me feel	Helpful, Stressless

ADVANTAGES OF LOAN APPROVAL PREDICTION

Predicting loan defaulters is an important process of the banking system as it directly affects profitability. However, loan default data sets available are highly imbalanced which results in poor performance of the algorithms. In this approach, the authors have employed weights in decision tree aggregation. The weights are calculated and assigned to each tree in the forest during the forest construction process using Out-of-bag (OOB) errors. The experimental results conclude that the improved algorithm performs better and has better accuracy than the original random forest and other popular classification algorithms such as SVM, KNN, and C4.5. The research opens improvements in terms of efficiency of the algorithm if parallel random forests can be used for further work.