

IDEATION PHASE
PROBLEM STATEMENT

Date	20 th September 2022
Team ID	PNT2022TMID27812
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Domain Name	Banking and Finance
Project Name	Smart Lender-Application Credibility Prediction for loan Approval
Maximum marks	2 marks

PROBLEM STATEMENT

Banking is a crucial sector, it deals with financial transactions which can be availed by everyone, but banks are not able to resolve the queries of customers at all times related to the products or services in a satisfactory way which in turn hinders the customer satisfaction. Dream Housing Finance company deals in all kinds of home loans. They have a presence across all urban, semi-urban and rural areas. The customer first applies for a home loan and after that, the company validates the customer eligibility for the loan. The company wants to automate the loan eligibility process (real-time) based on customer detail provided while filling out online application forms. These details are Gender, Marital Status, Education, number of Dependents, Income, Loan Amount, Credit History, and others. To automate this process, they have provided a dataset to identify the customer segments that are eligible for loan amounts so that they can specifically target these customers.

Who does the problem affect?	A customer of the bank
What are the boundaries of the problem?	Customers having a credit score must get a loan based on their eligibility
What is the issue?	Customers having a good credit score should be able to avail a loan easier than those who have poor score. Also non-performing assets of the bank should be reduced.
When does the issue occur?	When the customer avails a loan
Where does the issue occur?	It occurs in banking industries
Why is it important that we fix the problem?	It addresses the queries of customers immediately and effectively in a cost efficient manner.
What solution to solve this issue?	We are building a machine learning model that uses several data points such as credit history, duration, credit mix to predict whether a customer is eligible for loan
What methodology used to solve the issue?	Dance science mimics the human brain in order to make chatting with the chatbot more life- like.



