IBM Smart Lender Project

Problem Statement:

Loans are the core business of banks. The main profit comes directly from the loan's interest. Banks need to ensure that a person, institution, or organization applying for a loan is verified thoroughly before sanctioning them a loan.
This poses the problem of automating the loan approval procedure in order to help in reducing the time and energy and making the process more efficient than a manual process. To design and implement the system using machine learning and data mining to predict the probability of the user to get loan or not from bank to improve the accuracy and to minimize the frauds. Banks, Housing Finance Companies and some NBFC deal in various types of loans like housing loan, personal loan, business loan etc in all over the part of countries. These companies have existence in Rural, Semi Urban and Urban areas. After applying loan by customer these companies validates the eligibility of customers to get the loan or not. This project provides a solution to automate this process by employing machine learning algorithm. So the customer will fill an online loan application form. This form consist details like Gender, Marital Status, Qualification, Details of Dependents, Annual Income, Amount of Loan, Credit History of Applicant and others. To automate this process by using machine learning algorithm, First the algorithm will identify those segments of the customers who are eligible to get loan amounts so bank can focus on these customers.