

Data Pre-Processing

Balancing The Dataset

Date	4 september 2022
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Project Name	Smart Lender- Applicant Credibility Prediction for Loan Approval

Data Balancing is one of the most important step, which need to be performed for classification models, because when we train our model on imbalanced dataset ,we will get biased results, which means our model is able to predict only one class element

For Balancing the data we are using SMOTE Method.

SMOTE: Synthetic minority over sampling technique, which will create new synthetic data points for under class as per the requirements given by us using KNN method.

```
#Balancing the dataset by using smote
from imblearn.combine import SMOTETomek

smote = SMOTETomek(0.90)

C:\Users\HP\AppData\Roaming\Python\Python39\site-packages\imblearn\utils\_validation.py:587: FutureWarning: Pass sampling_strategy=0.9
keyword args. From version 0.9 passing these as positional arguments will result in an error
  warnings.warn(

#dividing the dataset into dependent and independent y and x respectively
y = data['Loan_Status']
x = data.drop(columns=['Loan_Status'],axis=1)

#creating a new x and y variables for the balnced set
x_bal,y_bal = smote.fit_resample(x,y)

#printing the values of y before balancing the data and after
print(y.value_counts())
print(y_bal.value_counts())

1    422
0    192
Name: Loan_Status, dtype: int64
1    351
0    308
Name: Loan_Status, dtype: int64
```

From the above picture, we can infer that previously our dataset is having 492 class 1, and 192 class items, after applying smote technique on the dataset the size has been changed for minority class.