IDEATION PHASE

Smart Lender - Applicant Credibility Prediction for Loan Approval

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PROJECT NAME	Smart Lender - Applicant Credibility Prediction for Loan Approval
MAXIMUM MARKS	2

PROBLEM STATEMENT:

The most valuable component of any economy is its banks. When assessing a country's progress, factors like banks, interest rates, and borrowings should be taken into account. Payment of cash obtained back from borrowers makes up a significant portion of supporting credit distribution activities in addition to raising resources through new deposits, borrowings, etc. However, the viability of this loan cycle may be harmed if the banks are unable to recover the lent sum. The majority of a bank's revenue comes from the amount of interest it charges on loans and if banks are unable to collect these sums, it has an impact on not only their profitability but also their everyday functioning. Bank management aims to keep the losses at low level.

By using machine learning algorithms, loan approval process can be done easily. This is a categorization issue where we must classify whether or not the loan will be accepted. In a problem in predictive modelling known as classification, a class label is predicted for a specific example of input data. Using the information supplied by the borrower, an entity is expected to automate the loan qualification process. The loan amount, the borrower's name, marital status, income, credit history, level of education, the number of dependents, and a few other details are required when submitting a request form.

The scope of the project includes:

• Assists the lender in analysing the situation.

• Gives better services for use.

• Reduce the risk factor by choosing the right person.

• Save time and money for the lender.

As a customer:

I am	A Student/Businessman/Homemaker/Employee
I am trying to	Know in detail about the loan sanction process and eligibility criteria in a bank
but	I want the information in a short duration
because	I do not have time to clarify each and every doubt in person with a bank employee
Which makes me feel	Displeased

As a developer:

I am	Working on Smart lender application that verifies the creditability of the customer to provide loan.
I am trying to	Create a machine learning model for making the loan approval process easy
but	The system requires well instructed and trained model
because	The model must produce high accuracy level
Which makes me feel	untroubled