

Data Pre-Processing

Balancing The Dataset

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Team Id	PNT2022TMID22689
Project Name	Smart Lender- Applicant CredibilityPrediction 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\Local\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 balanced 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    388
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.