

Ideation Phase

Define the Problem Statements

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| Date | 17 October 2022 |
| Team ID | PNT2022TMID12860 |
| Project Name | Smart Lender - Applicant Credibility Prediction For Loan Approval |
| Maximum Marks | 2 Marks |

Customer Problem Statement:

The prediction of credit defaulters is one of the difficult tasks for any bank. But by forecasting the loan defaulters, the banks definitely may reduce their loss by reducing their non-profit assets, so that recovery of approved loans can take place without any loss and it can play as the contributing parameter of the bank statement. This makes the study of this loan approval prediction important. Machine Learning techniques are very crucial and useful in the prediction of these types of data. Classification algorithms such as Decision tree, Random forest, KNN, and xgboost can be utilized to serve this purpose. A model must be trained using a dataset to predict the credibility of an applicant accurately.

| Problem Statement (PS) | I am (Customer) | I'm trying to | But | Because | Which makes me feel |
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| Smart Lender - Applicant Credibility Prediction For Loan Approval | Lender (any bank) who is about to sanction a loan for an applicant. | Check his credibility in quick time to sanction the loan. | Manual ground checking is always time consuming and inaccurate at times. | Lots of data and factors need to be checked to know the credibility which is a long process. Human errors may occur since everything is a statistical data. | That a machine learning model which could take input data and predict the credibility of the loan applicant by analysing the data, could save more time and at the same time can be more accurate. |