

## **PROBLEM STATEMENT:**

### **SMART LENDER-APPLICANT CREDIBILITY PREDICTION FOR LOAN APPROVAL**

Nowadays, people approach banks to fulfill their needs via bank loans, this practice has been increasing day by day overall the globe especially for business , education, marriage,agriculture etc.

But several people take advantage and misuse the facilities given by the banks, so banks realize that retaining customers and preventing fraud should be a strategic tool for healthy competition.

One of the important factors affecting the economy and financial condition of our country is the credit system operated by banks. Bank credit risk evaluation is recognized in banks all over the world. There are various methods used for risk level calculation.as we know that the credit risk assessment is very crucial.

Everyday a large number of people make application for loans, but all these applicants are not reliable and everyone cannot be approved for loan. We read and heard no of cases that the people can't repay the loan amount and this causes the bank huge loss. So, the main source of income of any bank from the customers is their credit line.

By using applied data science techniques and machine learning algorithms, we will check the credit score of the person and predict whether the loan is approved or not. This makes the loan approval process study is very easy and important.