

Ideation Phase

Define the Problem Statements

Date	19 September 2022
Team ID	PNT2022TMID31946
Project Name	Smart lender applicant credibility prediction for loan approval
Maximum Marks	2 marks

Customer Problem Statement Template:

A Finance company deals in all kinds of home loans. They have a presence across all urban, semi-urban and rural areas. The customer first applies for a home loan and after that, the company validates the customer eligibility for the loan.

The company wants to automate the loan eligibility process (real-time) based on customer detail provided while filling out online application forms. These details are Gender, Marital Status, Education, Number of Dependents, Income, Loan Amount, Credit History, and others.

To automate this process, they have provided a dataset to identify the customer segments that are eligible for loan amounts .We have to utilize the given dataset and create a Smart lender application for Loan approval , so that they can specifically target those customers.

Reference:

1. Kumar Arun, Garg Ishan, Kaur Sanmeet, May-Jun. 2016. Loan Approval Prediction based on Machine Learning Approach, IOSR Journal of Computer Engineering (IOSR-JCE)
2. Wei Li, Shuai Ding, Yi Chen, and Shanlin Yang, Heterogeneous Ensemble for Default Prediction of Peer-to-Peer Lending in China, Key Laboratory of Process Optimization and Intelligent Decision-Making, Ministry of Education, Hefei University of Technology, Hefei 2009, China
3. Short-term prediction of Mortgage default using ensembled machine learning models, Jesse C. Sealand on July 20, 2018.
4. Clustering Loan Applicants based on Risk Percentage using K-Means Clustering Techniques,

Example:

Problem Statement (PS)	I am (Customer)	I'm trying to	But	Because	Which makes me feel
PS-1	a customer	Create a bank account to get a housing loan	My request is being delayed	My account verification is not yet completed	Frustrated
PS-2	a customer	Take a loan	It is taking a long time	Of delay in account verification	Frustrated