

# **Smart Lender - Applicant Credibility Prediction for Loan Approval**

## **Problem Statements**

- Develop a multi-classification model that evaluates more than 2 features and gives a detailed report for loan approval.
- Developing a loan approval system that can provide a possible reason for rejection
- Develop a loan approval system that can predict loan approval based on expert data.

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| Who does the problem affect?                  | Lenders and loan takers  |
| What are the boundaries of the problem?       | People with a credit history trying to take a loan   |
| What is the issue?                            | Majority of the loan approval systems do not give details supporting the decision of the system nor can they perform in extenuating circumstances. |
| When does the issue occur?                    | When a person has a very special credit history or it is non-existent.   |
| Where does the issue occur?                   | The issue occurs in the banking and finance sectors.   |
| What solution to solve this issue?            | Develop an automated system that gives a descriptive decision rather than a simplistic decision.   |
| Why is it important that we fix this problem? | It can cause erroneous approvals or disapprovals in a lot of cases involving abnormal circumstances.   |
| What methodology is used to solve this?       | Basic machine learning and deep learning techniques can be used to solve this problem.   |