

LOAN APPROVAL:

ABSTRACT:

As the needs of people are increasing, the demand for loans in banks is also frequently getting higher every day. Banks typically process an applicant's loan after screening and verifying the applicant's eligibility, which is a difficult and time-consuming process. In some cases, some applicants default and banks lose capital. The machine learning approach is ideal for reducing human effort and effective decision making in the loan approval process by implementing machine learning tools that use classification algorithms to predict eligible loan applicants. The credit risk is defined as the likelihood that borrowers will fail to meet their loan obligations. To predict whether the borrower will be good or bad is a very difficult task for any bank or organization. The banking system uses a manual process for checking whether a borrower is a defaulter or not. No doubt the manual process will be more accurate and effective, but this process cannot work when there are a large number of loan applications at the same time. To solve this problem, we have developed a system in which we can predict whether the applicant chosen will be a deserving applicant for approving the loan or not. This can be done with the help of machine learning algorithms.