

IDEATION PHASE- PROBLEM STATEMENT

<u>Date</u>	19 September 2022
<u>Team ID</u>	PNT2022TMID19191
<u>Project Name</u>	Smart Lender - Applicant Credibility Prediction for Loan Approval
<u>Maximum Marks</u>	2 Marks

People approach banks to fulfill their needs via bank loans. This practice has been increasing day by day across 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 policy for healthy competition. One of the important factors affecting the economic 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, credit risk assessment is very crucial. Every day, many people apply for loans, but not all of these applicants are trustworthy, and not all can be approved. We heard about many cases where people could not repay the loan amount, causing the bank to suffer a huge loss. So, the main source of income of any bank from its 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 very easy.