Project Design Phase-I
Proposed Solution Template

Date	24 September 2022
Team ID	PNT2022TMID07972
Project Name	SMART LENDER
Maximum Marks	2 Marks

Proposed Solution Template:

Project team shall fill the following information in proposed solution template.

S.No.	Parameter	Description
1.	Problem Statement (Problem to be solved)	The prediction of credit defaulters is one of the difficult tasks for any bank
2.	Idea / Solution description	We will be using classification algorithms such as Decision tree, Random Forest, KNN, and xgboost. We will train and test the data with these algorithms. From this best model is selected and saved in pkl format
3.	Novelty / Uniqueness	As soon as the dataset is provided, the model will predict whether to lend the loan or not.
4.	Social Impact / Customer Satisfaction	One of the most important factors which affect our country's economy and financial condition is the credit system governed by the banks. As we know credit risk evaluation is very crucial, there is a variety of techniques are used for risk level calculation. In addition, credit risk is one of the main functions of the banking community.
5.	Business Model (Revenue Model)	By using : can predict loan defaulters before lending the loan Without using :banks will have to face huge losses.
6.	Scalability of the Solution	Banks need not to go through the background verification process of the applicant by using this model. The model will predict the defaulter.