# CREDIT RISK ASSESSMENT

## Project Overview:

This project aims to build a machine learning model to predict whether an individual will default on their loan or not. Default prediction is crucial for financial institutions to minimize risks and make informed lending decisions. By analyzing historical financial data, the model helps assess a person's likelihood of default based on various features such as credit history, income, loan type, and other factors.

## Description:

**Person_age : the age of a person**

**Person_income : income of a person**

**Person_home_ownership : if a person is living his own home or Rent or on Mortgage**

**Person_emp_length : years of experience (working in any field)**

**Loan_intent : intent behind taking a loan**

**Loan_grade : In finance, letter grades such as A, B, C, etc., are typically used by credit rating agencies to assess the creditworthiness of a borrower.**

**Loan_amount : the amount the borrower lended**

**Loan_int_rate : interest rate applied to the amount borrowed by borrower**

**cb_person_default_on_file : was a borrower defaulter in history**

**cb_preson_cred_hist_length : Credit history**

**status : Loan status (0 is non default 1 is default) -→ it is a target variable**