Credit Risk Summary

Overview

The purpose of this analysis was to create a simple regression model to help tell if there was high or low risk when evaluating credit opportunities. The financial basis for this analysis was loan status. This includes loan size, interest rate, income, and debt to income ratio. For targeting the values there are two classifications, healthy and unhealthy. A health loan will convert to a 0 in the report and an unhealthy, or high risk, loan will convert to a 1.

The process used to perform this analysis had the following stages:

- Create label sets
- Split the data into training and testing sets
- Create logistic regression model to fit data
- Make predictions through tests
- Evaluate the model

Results

The model resulted in a 95% confidence or accuracy rate. Base on this information, we can comfortably assume that the model will point us in the right direction when making decisions based on the information available.

Summary

Overall the model was given a good amount of data to work with and came back with a high accuracy rate. While accuracy rate is not the only metric to evaluate a model on, it is a good starting point and can provide insight into the data and model.