**IS6810-001 – MSBA CAPSTONE**

**Assignment 2**

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**Business Problem:** Home Credit is currently facing problem to identify the underserved population, the people who are capable of repayments but are being rejected due to inadequate assessment of their credit worthiness.

**Benefit of a Solution:** Getting a system that uses data analysis to helps us identify the population that Home Credit is trying to target, will result in better approval rates and good financial performance. It will also help in scaling up the position of Home Credit in the market and get us to reliable customers.

**Success Metrics:** Giving loan to people who will default is a loss for Home Credit. Refining customers with good credit reports from the bureau.csv and crossmatching it with previous applications to check whether the applicant was accepted or rejected, giving us a list of people who are capable of repayments. This also results in increased profitability.

**Analytics Approach:** Based on the credit report we can identify if the borrower is likely to default a loan or not. Hence, the problem will be solved through supervised learning. Using the historical data, we can create a predictive model.

**Scope:** The project outcome is a list of underserved population who is most likely not to default the loan based on the historical default data and the credit reports.

**Details:** A diverse group of people consisting of data scientists, software engineers and business analysts will carry this project out. The target is to complete it in a year. Cleaning the data, building a model, its validation and testing are the important milestones for this project.