

**SYNOPSIS OF PREDICTION OF LOAN APPROVAL**

**Prediction of Loan Approval**



**SUBMIT TO**

**Sumit Jaswal Sir,**

**30272**

**PYTHON**

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| **PREPARED BY** | | |
| **STUDENT’S NAME** | **ROLL NUMBER** | **REGISTRATION NO.** |
| EKHLAKH AHMAD | RD2215B58 | 12209166 |
| SUKHDEEP KAUR | RD2215B57 | 12209123 |

Lovely Professional University, Punjab(India)

**Prediction of Loan Approval by using Machine Learning**

**ABSTRACT: -** Banks are making major part of profits through loans. Though lot of people are applying for loans, it’s hard to select the genuine applicant, who will repay the loan. While doing the process manually, lot of misconception may happen to select the genuine applicant. Therefore, we are developing loan prediction system using machine learning, so the system automatically selects the eligible candidates. This is helpful to both bank staff and applicant.

**INTRODUCTION: -**

Loan approval is a very important process for banking organizations. The system approved or reject the loan applications. Recovery of loans is a major contributing parameter in the financial statements of a bank. It is very difficult to predict the possibility of payment of loan by the customer.

Machine Learning technology are very useful in predicting outcomes for large amounts of data.

**EXISTING SYSTEM:** - Bank employees check the details of applicant manually and give the loan to eligible applicant. Checking the details of all applicants takes lot of time. The artificial neural network model for predict the credit risk of a bank. The Feed- forward back propagation neural network is used to forecast the credit default. The method in which two or more classifiers are combined together to produce a ensemble model for the better prediction. They used the bagging and boosting techniques and then used random forest technique.

**PROPOSED SYSTEM:** - To deal with the problem, we developed automatic loan prediction using machine learning techniques. We will train the machine with previous dataset. so, machine can analyse and understand the process. Then machine will check for eligible applicant and give us result

**ARCHITECTURE TECHNIQUES: -** Decision tree algorithm in machine erudition how’s which efficiently performs both family and retrogression tasks. It creates decision trees. Decision trees are universally used in the banking assiduousness due to their high exactitude and culpableness to formulate a statistical model in plain language. In Decision tree each knot represents a criterion (diagnostic), each link (branch) represents a decision (rule) and each chip represents an outcome (categorical or continues value).