

Capstone Project Submission

Name, Email, and Contribution:

Role: -

- **Kanika Raj**
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 - Data Understanding
 - Data Cleaning
 - Data Visualization
 - Bivariate analysis
 - ROC-AUC curve analysis
 - Confusion matrix study
 - Evaluation matrix study
 - Hyperparameter tuning
 - Logistic Regression Model Building
 - Technical Documentation

Please paste the GitHub Repo link.

GitHub Links:

Kanika -> <https://github.com/kanika214/Credit-card-defaulters.git>

Please write a summary of your Capstone project and its components. Describe the problem statement, your approaches, and your conclusions. (200-400 words)

A credit card is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services based on the cardholder's accrued debt (i.e., promise to the card issuer to pay them for the amounts plus the other agreed charges). The card issuer (usually a bank or credit union) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance. There are two credit card groups: consumer credit cards and business credit cards. Most cards are plastic, but some are metal cards (stainless steel, gold, palladium, titanium), and a few gemstone-encrusted metal cards.

A regular credit card is different from a charge card, which requires the balance to be repaid in full each month or at the end of each statement cycle. In contrast, credit cards allow the consumers to build a continuing balance of debt, subject to interest being charged. A credit card differs from a charge card also in that a credit card typically involves a third-party entity that pays the seller and is reimbursed by the buyer, whereas a charge card simply defers payment by the buyer until a later date.

Whenever you accept a credit card, you agree to certain terms and conditions including making your minimum payment by the due date listed on your credit card statement.

When you miss the minimum payment by 6 months or more in a row, your credit card will be in default. In such situations, your credit card issuer will first send several notices via email or SMS

and call you asking to make the payment. If you do not make the payment after a stipulated period, they will close your account and report the default to the credit bureaus.

This period may vary from one credit card provider to another. This tends to impact your credit score and it will be difficult for you to get approved for loans in the future. Once you are listed as a credit card defaulter, you become a risk for any credit obligation.

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