PRECTING PERSONAL LOAN APPROVAL USING MACHINE LEARNING

DEFINE PROBLEM / PROBLEM UNDERSTANDING

Social Or Business Impact:

Social Impact:- Personal loans can stimulate economic growth by providing individuals with the funds they need to make major purchases, start businesses, or invest in their education.

Business Model/Impact:- Personal loan providers may charge fees for services such as loan origination,processing, and late payments.Advertising the brand awareness and marketing to reach out to potential borrowers to generate revenue It Is widely understood that you business finances are different from your personal finance and by that same yardstick; your business loan should have no bearing on your personal finance. However, there are times when your business loan is dependent on your personal credit record.

You are the business – If you are running a sole proprietorship business, there is no separating your company from you. In fact, since the business is owned and run by one person, there is no legal distinction between the owner and the business . In such a case whenever you seek a business loan, it is your credit record that will be scrutinized. While there are plenty of advantages of running a sole proprietorship business, this is one major disadvantage where the fortunes of the company are directly associated with the owner's personal credit history.
As a business owner, you already have a sizeable amount of personal debt, the chances of picking up a business loan or the amount you can raise as a business loan goes down.If your credit history is not up to the mark, expect to pay ahigher rate of interest for your loan. In case your debt to income ratio is high or you have a history of default, you may be refused a loan.

Income details: It is important to meet the income criteria set by the lender to obtain a personal loan.The minimum monthly or annual requirement differs with

lenders and it also depends on whether the applicant is a self-employed individual or salaried employee.

Employment status: Lenders check the employment status of an applicant to ensure he or she has a stable source of income so that the loan will be repaid on time.