loan_default_prediction

Loan Default Prediction

Can you predict if an applicant will default the loan or not in the future?

Problem Statement

MyHom is a finance company that lends housing loans at the best and most affordable interest rates to customers. In recent times, the company incurred heavy losses due to loan defaults. Most applicants failed to repay the loan as per the promissory note.

In order to avoid such losses, the company has decided to build a system for identifying the loan defaulters automatically based on data. This will help the company to identify the potential applicants and ensure the smooth running of the entire process.

Now, the company challenges the Data Science community to build a smart AI system to predict the probability of an applicant defaulting the loan or not in the future.

Approach

1. Understand the dataset with pandas profiling
2. Fill in missing values with backward filling
3. Creating two type of dataset using multiple columns
4. Feature importance
5. Model building