Reason for choosing proposed model

Random Forest is a popular machine learning algorithm that can be used for loan prediction because it has several advantages:

1. Handles both categorical and numerical features: Loan prediction involves both numerical and categorical data. Random Forest can handle both types of data without any pre-processing.
2. Can handle missing values: Loan datasets often have missing values that need to be handled. Random Forest can handle missing values without the need for imputation.
3. Reduces overfitting: Random Forest uses multiple decision trees, which helps to reduce overfitting. This is important in loan prediction because overfitting can lead to inaccurate predictions.
4. Provides feature importance: Random Forest can provide information on the importance of each feature, which can help in understanding the factors that affect loan prediction.
5. Easy to use and tune: Random Forest is easy to use and requires minimal parameter tuning. This makes it an attractive choice for loan prediction, where time is often a constraint.

Overall, Random Forest is a powerful algorithm that can be used for loan prediction due to its ability to handle missing data, reduce overfitting, provide feature importance, and its ease of use.