House Loan Data Analysis Project

Importing required libraries

```
In [ ]:
        import numpy as np
        import pandas as pd
        import matplotlib.pyplot as plt
        %matplotlib inline
In [ ]: from subprocess import check_output
        from tensorflow.keras.layers import Dense, Activation, Dropout
        from tensorflow.keras.layers import BatchNormalization
        from tensorflow.keras.models import Sequential
        from sklearn.model_selection import train_test_split
        from sklearn.preprocessing import MinMaxScaler
        loan_ds = pd.read_csv('loan_data.csv')
In [ ]:
        loan_ds.head()
           SK_ID_CURR TARGET NAME_CONTRACT_TYPE CODE_GENDER FLAG_OWN_CAR FLAG_OWN_R
Out[]:
                100002
                             1
                                           Cash Inans
                                                                M
                                                                               Ν
                100003
                             0
                                           Cash loans
        2
                100004
                             0
                                       Revolving loans
                                                                                Υ
                                                                М
        3
                100006
                             0
                                           Cash loans
                100007
                            0
                                           Cash loans
                                                                               Ν
                                                                Μ
        5 rows × 122 columns
        target=loan ds["TARGET"]
        data=loan_ds.drop(columns=["TARGET","SK_ID_CURR"])
        print(data.shape, target.shape)
```

```
(13574, 120) (13574,)
```

Check for null values in the dataset

```
In [ ]: def check_missing_data(df):
            missing_cols=[]
            for i in df.columns:
                 percent=df[i].isnull().mean()
                if percent !=0:
                     missing_cols.append(i)
            if len(missing_cols)==0:
                 print('no columns with missing value')
            else:
                 print('number of columns with missing value : ',len(missing_cols))
                 return missing_cols
        check_missing_data(loan_ds)
```

number of columns with missing value : 110

```
Out[]: ['AMT_GOODS_PRICE',
          'NAME_TYPE_SUITE',
          'NAME_FAMILY_STATUS',
          'NAME_HOUSING_TYPE',
          'REGION_POPULATION_RELATIVE',
          'DAYS_BIRTH',
          'DAYS_EMPLOYED',
          'DAYS REGISTRATION',
          'DAYS_ID_PUBLISH',
          'OWN_CAR_AGE',
          'FLAG_MOBIL',
          'FLAG_EMP_PHONE',
          'FLAG_WORK_PHONE',
          'FLAG CONT MOBILE',
          'FLAG_PHONE',
          'FLAG_EMAIL'
          'OCCUPATION_TYPE',
          'CNT_FAM_MEMBERS',
          'REGION_RATING_CLIENT',
          'REGION_RATING_CLIENT_W_CITY',
          'WEEKDAY_APPR_PROCESS_START',
          'HOUR_APPR_PROCESS_START',
          'REG_REGION_NOT_LIVE_REGION',
          'REG_REGION_NOT_WORK_REGION',
          'LIVE_REGION_NOT_WORK_REGION',
          'REG_CITY_NOT_LIVE_CITY',
          'REG_CITY_NOT_WORK_CITY',
          'LIVE_CITY_NOT_WORK_CITY',
          'ORGANIZATION_TYPE',
          'EXT_SOURCE_1',
          'EXT SOURCE 2',
          'EXT SOURCE 3'
          'APARTMENTS_AVG'
          'BASEMENTAREA_AVG',
          'YEARS_BEGINEXPLUATATION_AVG',
          'YEARS_BUILD_AVG',
          'COMMONAREA_AVG',
          'ELEVATORS_AVG',
          'ENTRANCES_AVG',
          'FLOORSMAX AVG',
          'FLOORSMIN_AVG',
          'LANDAREA_AVG',
          'LIVINGAPARTMENTS AVG',
          'LIVINGAREA_AVG',
          'NONLIVINGAPARTMENTS_AVG',
          'NONLIVINGAREA_AVG',
          'APARTMENTS_MODE',
          'BASEMENTAREA MODE',
          'YEARS BEGINEXPLUATATION MODE',
          'YEARS_BUILD_MODE',
          'COMMONAREA_MODE',
          'ELEVATORS_MODE',
          'ENTRANCES_MODE',
          'FLOORSMAX_MODE',
          'FLOORSMIN_MODE',
          'LANDAREA_MODE',
          'LIVINGAPARTMENTS MODE',
          'LIVINGAREA_MODE',
          'NONLIVINGAPARTMENTS MODE',
          'NONLIVINGAREA MODE',
          'APARTMENTS_MEDI',
          'BASEMENTAREA_MEDI',
          'YEARS BEGINEXPLUATATION MEDI',
          'YEARS_BUILD_MEDI',
```

```
'COMMONAREA_MEDI',
          'ELEVATORS_MEDI',
          'ENTRANCES MEDI',
          'FLOORSMAX_MEDI'
          'FLOORSMIN_MEDI',
          'LANDAREA_MEDI',
          'LIVINGAPARTMENTS_MEDI',
          'LIVINGAREA MEDI',
          'NONLIVINGAPARTMENTS_MEDI',
          'NONLIVINGAREA_MEDI',
          'FONDKAPREMONT_MODE',
          'HOUSETYPE_MODE',
          'TOTALAREA MODE',
          'WALLSMATERIAL MODE',
          'EMERGENCYSTATE_MODE'
          'OBS_30_CNT_SOCIAL_CIRCLE',
          'DEF_30_CNT_SOCIAL_CIRCLE',
          'OBS_60_CNT_SOCIAL_CIRCLE',
          'DEF_60_CNT_SOCIAL_CIRCLE',
          'DAYS_LAST_PHONE_CHANGE',
          'FLAG_DOCUMENT_2',
          'FLAG_DOCUMENT_3',
          'FLAG_DOCUMENT_4',
          'FLAG_DOCUMENT_5',
          'FLAG_DOCUMENT_6',
          'FLAG_DOCUMENT_7',
          'FLAG_DOCUMENT_8',
          'FLAG_DOCUMENT_9',
          'FLAG_DOCUMENT_10',
          'FLAG_DOCUMENT_11',
          'FLAG DOCUMENT 12',
          'FLAG DOCUMENT 13',
          'FLAG_DOCUMENT_14',
          'FLAG_DOCUMENT_15',
          'FLAG_DOCUMENT_16',
          'FLAG_DOCUMENT_17',
          'FLAG_DOCUMENT_18',
          'FLAG_DOCUMENT_19',
          'FLAG DOCUMENT 20',
          'FLAG_DOCUMENT_21',
          'AMT_REQ_CREDIT_BUREAU_HOUR',
          'AMT_REQ_CREDIT_BUREAU_DAY',
          'AMT REQ CREDIT BUREAU WEEK',
          'AMT_REQ_CREDIT_BUREAU_MON',
          'AMT_REQ_CREDIT_BUREAU_QRT',
          'AMT_REQ_CREDIT_BUREAU_YEAR']
        #seperating categorical and non-categorical columns
         categ col=[x for x in data if data[x].dtype=='0']
         non_categorical=data.drop(columns=categ_col)
         categorical=data[categ col]
In [ ]: |
        categorical
```

Out[]:		NAME_CONTRACT_TYPE	CODE_GENDER	FLAG_OWN_CAR	FLAG_OWN_REALTY	NAME_TYP
	0	Cash loans	М	N	Υ	Unaccor
	1	Cash loans	F	N	N	
	2	Revolving loans	М	Υ	Υ	Unaccor
	3	Cash loans	F	N	Υ	Unaccor
	4	Cash loans	М	N	Υ	Unaccor
	•••					
	13569	Cash loans	М	Y	Υ	Unaccor
	13570	Cash loans	F	Υ	Υ	
	13571	Cash loans	М	Υ	N	Unaccor
	13572	Cash loans	М	Υ	Υ	Unaccor
	13573	Cash loans	М	N	N	Unaccor

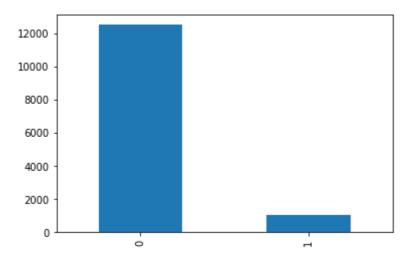
13574 rows × 16 columns

no columns with missing value

Print the percentage of default to payer of the dataset for the target column

```
In []: #checking for percentage of defaulters and non-defaulters
defaulters=loan_ds.TARGET.value_counts()[0]
non_defaulters=loan_ds.TARGET.value_counts()[1]
fraction_of_defaulters=defaulters/(defaulters + non_defaulters)
percentage_of_defaulters = round((fraction_of_defaulters * 100),2)
print('Percentage of defaulters ', percentage_of_defaulters)
loan_ds.TARGET.value_counts().plot.bar()
```

```
Percentage of defaulters 92.29
        <matplotlib.axes._subplots.AxesSubplot at 0x7ff31f70f290>
Out[ ]:
```



```
from sklearn.preprocessing import LabelEncoder
In [ ]:
        le=LabelEncoder()
        for i in categorical.columns:
            print(i)
             categorical[i]=le.fit_transform(categorical[i])
        NAME_CONTRACT_TYPE
        CODE_GENDER
        FLAG_OWN_CAR
        FLAG_OWN_REALTY
        NAME_TYPE_SUITE
        NAME_INCOME_TYPE
        NAME_EDUCATION_TYPE
        NAME_FAMILY_STATUS
        NAME HOUSING TYPE
        OCCUPATION_TYPE
        WEEKDAY_APPR_PROCESS_START
        ORGANIZATION_TYPE
        FONDKAPREMONT_MODE
        HOUSETYPE_MODE
        WALLSMATERIAL_MODE
        EMERGENCYSTATE_MODE
        /usr/local/lib/python3.7/dist-packages/ipykernel_launcher.py:5: SettingWithCopyWar
        ning:
        A value is trying to be set on a copy of a slice from a DataFrame.
        Try using .loc[row_indexer,col_indexer] = value instead
        See the caveats in the documentation: https://pandas.pydata.org/pandas-docs/stabl
        e/user_guide/indexing.html#returning-a-view-versus-a-copy
        features=pd.concat([non_categorical, categorical],axis=1)
In [ ]:
        print(non_categorical.shape,categorical.shape)
        features.shape
        (13574, 104) (13574, 16)
        (13574, 120)
```

Handling imbalances in the dataset

Using SMOTE method

Out[]:

```
from imblearn.over_sampling import SMOTE
```

```
sm = SMOTE()
In [ ]: X, y = sm.fit resample(features, target)
In [ ]: print(X.shape, y.shape)
        y.value_counts().plot.bar()
        (25056, 120) (25056,)
        <matplotlib.axes._subplots.AxesSubplot at 0x7ff2a2288a50>
Out[ ]:
        12000
         10000
          8000
          6000
          4000
          2000
In [ ]: from sklearn.model_selection import train_test_split
        X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.25)
        print('Train Sizes: {}, {}'.format(X_train.shape, y_train.shape))
        print('Test Sizes: {}, {}'.format(X_test.shape, y_test.shape))
        Train Sizes: (18792, 120), (18792,)
        Test Sizes: (6264, 120), (6264,)
In [ ]: from sklearn.preprocessing import StandardScaler
        sc = StandardScaler()
        X_train = sc.fit_transform(X_train)
        X_test = sc.fit_transform(X_test)
        print(X_train.shape, X_test.shape)
        (18792, 120) (6264, 120)
        Building a neural network
In [ ]: | from tensorflow.keras.models import Sequential
        from tensorflow.keras.layers import Dense, Dropout
In [ ]:
        X_train.shape[1]
        120
Out[ ]:
In [ ]:
        model = Sequential([
             Dense(64,input_dim=X_train.shape[1], activation='relu'),
             Dropout(0.3),
             Dense(32, activation='relu'),
             Dropout(0.3),
             Dense(1, activation='sigmoid')
        ])
        model.compile(optimizer='adam', loss='binary_crossentropy', metrics=['accuracy'])
```

In []: model.summary()

Model: "sequential"

Total params: 9,857 Trainable params: 9,857 Non-trainable params: 0

In []: train_history= model.fit(X_train, y_train, batch_size=64, epochs=100, validation_s

```
Epoch 1/100
0.6682 - val_loss: 0.5103 - val_accuracy: 0.7664
Epoch 2/100
0.7637 - val_loss: 0.4716 - val_accuracy: 0.7840
Epoch 3/100
0.7817 - val_loss: 0.4461 - val_accuracy: 0.7962
Epoch 4/100
0.7988 - val_loss: 0.4240 - val_accuracy: 0.8175
Epoch 5/100
0.8115 - val loss: 0.4038 - val accuracy: 0.8255
Epoch 6/100
0.8219 - val_loss: 0.3840 - val_accuracy: 0.8343
Epoch 7/100
0.8345 - val_loss: 0.3646 - val_accuracy: 0.8399
Epoch 8/100
0.8397 - val_loss: 0.3502 - val_accuracy: 0.8500
Epoch 9/100
0.8453 - val_loss: 0.3401 - val_accuracy: 0.8547
Epoch 10/100
0.8547 - val_loss: 0.3268 - val_accuracy: 0.8649
Epoch 11/100
0.8605 - val_loss: 0.3153 - val_accuracy: 0.8686
Epoch 12/100
0.8659 - val_loss: 0.3076 - val_accuracy: 0.8734
Epoch 13/100
0.8692 - val_loss: 0.2976 - val_accuracy: 0.8720
Epoch 14/100
0.8737 - val_loss: 0.2918 - val_accuracy: 0.8760
Epoch 15/100
0.8764 - val_loss: 0.2864 - val_accuracy: 0.8840
Epoch 16/100
0.8799 - val loss: 0.2847 - val accuracy: 0.8819
Epoch 17/100
0.8803 - val_loss: 0.2801 - val_accuracy: 0.8875
Epoch 18/100
235/235 [=============] - 1s 4ms/step - loss: 0.2776 - accuracy:
0.8855 - val_loss: 0.2736 - val_accuracy: 0.8888
Epoch 19/100
0.8883 - val_loss: 0.2728 - val_accuracy: 0.8901
Epoch 20/100
0.8900 - val loss: 0.2658 - val accuracy: 0.8896
Epoch 21/100
0.8906 - val_loss: 0.2663 - val_accuracy: 0.8907
Epoch 22/100
```

```
0.8948 - val_loss: 0.2598 - val_accuracy: 0.8957
Epoch 23/100
0.8980 - val loss: 0.2571 - val accuracy: 0.8947
Epoch 24/100
0.8927 - val_loss: 0.2528 - val_accuracy: 0.8965
Epoch 25/100
0.9023 - val_loss: 0.2527 - val_accuracy: 0.8960
Epoch 26/100
0.9024 - val loss: 0.2503 - val accuracy: 0.8981
Epoch 27/100
0.9018 - val_loss: 0.2458 - val_accuracy: 0.9018
Epoch 28/100
0.9043 - val_loss: 0.2423 - val_accuracy: 0.9042
Epoch 29/100
0.9061 - val_loss: 0.2430 - val_accuracy: 0.9037
Epoch 30/100
0.9077 - val loss: 0.2398 - val accuracy: 0.9032
Epoch 31/100
0.9113 - val_loss: 0.2372 - val_accuracy: 0.9056
Epoch 32/100
0.9109 - val_loss: 0.2355 - val_accuracy: 0.9056
Epoch 33/100
0.9099 - val_loss: 0.2284 - val_accuracy: 0.9133
Epoch 34/100
0.9173 - val_loss: 0.2336 - val_accuracy: 0.9061
Epoch 35/100
0.9151 - val_loss: 0.2302 - val_accuracy: 0.9074
Epoch 36/100
0.9169 - val_loss: 0.2236 - val_accuracy: 0.9130
Epoch 37/100
0.9157 - val_loss: 0.2248 - val_accuracy: 0.9101
Epoch 38/100
0.9168 - val loss: 0.2229 - val accuracy: 0.9141
0.9184 - val_loss: 0.2231 - val_accuracy: 0.9119
Epoch 40/100
0.9214 - val_loss: 0.2240 - val_accuracy: 0.9114
Epoch 41/100
0.9229 - val_loss: 0.2194 - val_accuracy: 0.9138
Epoch 42/100
0.9253 - val_loss: 0.2149 - val_accuracy: 0.9170
Epoch 43/100
```

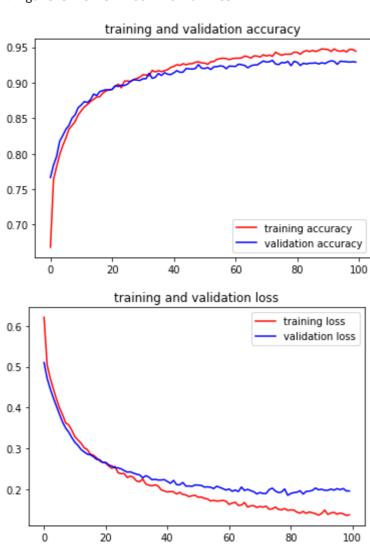
```
0.9243 - val_loss: 0.2221 - val_accuracy: 0.9146
Epoch 44/100
0.9267 - val_loss: 0.2114 - val_accuracy: 0.9149
Epoch 45/100
0.9252 - val_loss: 0.2113 - val_accuracy: 0.9199
Epoch 46/100
0.9266 - val_loss: 0.2171 - val_accuracy: 0.9194
Epoch 47/100
0.9268 - val loss: 0.2080 - val accuracy: 0.9191
Epoch 48/100
0.9287 - val_loss: 0.2085 - val_accuracy: 0.9199
Epoch 49/100
235/235 [=============] - 1s 4ms/step - loss: 0.1846 - accuracy:
0.9295 - val_loss: 0.2074 - val_accuracy: 0.9255
Epoch 50/100
0.9278 - val_loss: 0.2111 - val_accuracy: 0.9205
Epoch 51/100
0.9276 - val_loss: 0.2105 - val_accuracy: 0.9199
Epoch 52/100
0.9258 - val_loss: 0.2097 - val_accuracy: 0.9213
Epoch 53/100
0.9295 - val loss: 0.2057 - val accuracy: 0.9186
Epoch 54/100
0.9298 - val_loss: 0.2063 - val_accuracy: 0.9223
Epoch 55/100
0.9329 - val_loss: 0.2054 - val_accuracy: 0.9226
Epoch 56/100
0.9337 - val_loss: 0.2020 - val_accuracy: 0.9236
Epoch 57/100
0.9345 - val_loss: 0.2078 - val_accuracy: 0.9231
Epoch 58/100
0.9339 - val_loss: 0.2048 - val_accuracy: 0.9197
Epoch 59/100
0.9324 - val loss: 0.2019 - val accuracy: 0.9234
Epoch 60/100
0.9339 - val_loss: 0.1984 - val_accuracy: 0.9231
Epoch 61/100
0.9345 - val_loss: 0.2011 - val_accuracy: 0.9229
Epoch 62/100
0.9345 - val_loss: 0.1954 - val_accuracy: 0.9260
Epoch 63/100
0.9348 - val_loss: 0.1986 - val_accuracy: 0.9252
Epoch 64/100
0.9375 - val_loss: 0.1948 - val_accuracy: 0.9242
```

```
Epoch 65/100
0.9365 - val_loss: 0.2058 - val_accuracy: 0.9210
Epoch 66/100
0.9346 - val_loss: 0.1974 - val_accuracy: 0.9236
Epoch 67/100
0.9377 - val_loss: 0.2002 - val_accuracy: 0.9250
Epoch 68/100
0.9375 - val_loss: 0.1971 - val_accuracy: 0.9250
Epoch 69/100
0.9361 - val_loss: 0.1944 - val_accuracy: 0.9276
Epoch 70/100
0.9393 - val_loss: 0.1890 - val_accuracy: 0.9306
Epoch 71/100
0.9375 - val_loss: 0.1924 - val_accuracy: 0.9290
Epoch 72/100
0.9388 - val_loss: 0.1900 - val_accuracy: 0.9295
Epoch 73/100
0.9371 - val_loss: 0.1901 - val_accuracy: 0.9314
Epoch 74/100
0.9429 - val_loss: 0.1996 - val_accuracy: 0.9263
Epoch 75/100
0.9403 - val_loss: 0.2032 - val_accuracy: 0.9255
Epoch 76/100
0.9387 - val_loss: 0.1963 - val_accuracy: 0.9284
Epoch 77/100
0.9401 - val_loss: 0.1923 - val_accuracy: 0.9279
Epoch 78/100
0.9401 - val_loss: 0.1937 - val_accuracy: 0.9298
Epoch 79/100
0.9401 - val_loss: 0.2010 - val_accuracy: 0.9239
Epoch 80/100
0.9429 - val loss: 0.1856 - val accuracy: 0.9300
Epoch 81/100
0.9429 - val_loss: 0.1901 - val_accuracy: 0.9287
Epoch 82/100
235/235 [============] - 1s 4ms/step - loss: 0.1496 - accuracy:
0.9399 - val_loss: 0.1923 - val_accuracy: 0.9242
Epoch 83/100
0.9436 - val_loss: 0.1931 - val_accuracy: 0.9274
Epoch 84/100
0.9453 - val loss: 0.1969 - val accuracy: 0.9263
Epoch 85/100
0.9438 - val_loss: 0.1886 - val_accuracy: 0.9274
Epoch 86/100
```

```
0.9454 - val_loss: 0.1953 - val_accuracy: 0.9274
    Epoch 87/100
    0.9439 - val loss: 0.1957 - val accuracy: 0.9279
    Epoch 88/100
    0.9455 - val_loss: 0.1975 - val_accuracy: 0.9263
    Epoch 89/100
    0.9475 - val_loss: 0.2035 - val_accuracy: 0.9282
    Epoch 90/100
    0.9472 - val loss: 0.1990 - val accuracy: 0.9268
    Epoch 91/100
    0.9466 - val_loss: 0.2005 - val_accuracy: 0.9292
    Epoch 92/100
    0.9441 - val_loss: 0.1978 - val_accuracy: 0.9308
    Epoch 93/100
    0.9476 - val_loss: 0.1979 - val_accuracy: 0.9300
    Epoch 94/100
    0.9449 - val loss: 0.2008 - val accuracy: 0.9258
    Epoch 95/100
    0.9442 - val_loss: 0.1982 - val_accuracy: 0.9303
    Epoch 96/100
    0.9455 - val_loss: 0.2019 - val_accuracy: 0.9298
    Epoch 97/100
    0.9433 - val_loss: 0.1993 - val_accuracy: 0.9295
    Epoch 98/100
    0.9469 - val_loss: 0.2022 - val_accuracy: 0.9290
    Epoch 99/100
    0.9467 - val_loss: 0.1964 - val_accuracy: 0.9295
    Epoch 100/100
    0.9443 - val_loss: 0.1963 - val_accuracy: 0.9290
In [ ]: eval_test_data = model.evaluate(X_test, y_test)
    print("Test Loss: ", eval_test_data[0])
    print("Test Accuracy: ", eval test data[1])
    accuracy = train history.history['accuracy']
    val_accuracy = train_history.history['val_accuracy']
    loss = train_history.history['loss']
    0.9250
    Test Loss: 0.1976928859949112
    Test Accuracy: 0.9249680638313293
In [ ]: val_loss=train_history.history['val_loss']
    epochs=range(len(accuracy))
    plt.plot(epochs,accuracy,'r',label='training accuracy')
    plt.plot(epochs, val_accuracy, 'b', label='validation accuracy')
    plt.title('training and validation accuracy')
    plt.legend()
    plt.figure()
```

```
plt.plot(epochs,loss,'r',label='training loss')
plt.plot(epochs,val_loss,'b',label='validation loss')
plt.title('training and validation loss')
plt.legend()
plt.figure()
```

Out[]: <Figure size 432x288 with 0 Axes>



<Figure size 432x288 with 0 Axes>

Calculating the area under receiver operating characteristics curve

```
In [ ]: from sklearn.metrics import roc_curve,roc_auc_score
    y_pred=model.predict(X_test)
    auc_score=roc_auc_score(y_test,y_pred)
    print("Area under the ROC Curve: ", auc_score)
```

Area under the ROC Curve: 0.9779623995711011