|  |  |
| --- | --- |
| Project Title | Credit Card Default Prediction |
| Technologies | Machine Learning Technology |
| Domain | Banking |
| Project Difficulties level | Intermediate |

#### Problem Statement :-Financial threats are displaying a trend about the credit risk of commercial banks as the incredible improvement in the financial industry has arisen. In this way, one of the biggest threats faces by commercial banks is the risk prediction of credit clients. The goal is to predict the probability of credit default based on credit card owner's characteristics and payment history.

Objective : Building a model using the inputs/attributes which are general profile and historical records of a borrower to predict whether one is likely to have serious delinquency in the next 2 years.

1. We have a general profile about the borrower such as age, Monthly Income, Dependents and the historical data such as what is the Debt Ratio, what ratio of amount is owed with respect to credit limit, and the no of times defaulted in the past one, two, three months.
2. We will be using all these features to predict whether the borrower is likely to delinquent in the next 2 years or not.
3. These kind of predictions will help banks to take necessary actions

Primary Reason to choose this project:

* Indian economy is on boost in present days so banks trying to take benefits by giving their credit cards to the customers. But there are many such case coming nowdays where we find customers who is not able to repay the card bills. it makes loss to the banks for there future targets. So it could be good for banks if they can predict such customer who can be defaulted by looking on to there records.
* Banks are primarily known for money lending business. The more money they lend to people whom they can get good interest with timely repayment, the more revenue is for the banks.The more banks are able to identify borrowers going towards serious delinquency rate, the better will be the bank's money lending business which in turn will lead to better revenue and better image in the market and with respect to competitiors.
* **Delinquent** in general is a slightly mild term where a borrower is not repaying charges and is behind by certain months whereas \* **Default** is a term where a borrower has not been able to pay charges and is behind for a long period of months and is unlikely to repay the charges.