

Homework 20 Questions

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1. How well does the logistic regression model predict both the 0 (healthy loan) and 1 (high-risk loan) labels? The logistic regression model performs great for both classes. For healthy loans (class 0), the model has near-perfect precision, recall, and F1-scores. 1.00 across those three areas.. For high-risk loans (class 1), the model has good precision (0.88), excellent recall (0.98), and a strong F1-score (0.93). Overall accuracy is 0.99, indicating the model is highly effective at classifying both loan types. The high recall for class 1 is particularly important as it means the model successfully identifies 98% of all high-risk loans, minimizing the chance of approving loans that might default
2. Write a Credit Risk Analysis Report. Explain the purpose of this analysis. Using a bulleted list, describe the accuracy score, the precision score, and recall score of the machine learning model. Summarize the results from the machine learning model. Include your justification for recommending the model for use by the company. If you don't recommend the model, justify your reasoning.