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# Problem Statement - Delinquent Analysis

## Business Context

DRS bank is facing challenging times. Their NPAs (Non-Performing Assets) have been on a rise recently and a large part of these are due to the loans given to individual customers(borrowers). The Chief Risk Officer of the bank decides to put in a scientifically robust framework for approval of loans to individual customers to minimize the risk of loans converting into NPAs and initiates a project for the data science team at the bank. You, as a senior member of the team, are assigned this project.

## Objective

The data-set aims to answer the following key questions:

- To identify the criteria to approve loans for an individual customer such that the likelihood of the loan delinquency is minimized?
- What are the factors that drive the behavior of loan delinquency?

## Data Dictionary

- . The data contains characteristics of the people
- . ID: Customer ID
- . isDelinquent : indicates whether the customer is delinquent or not (1 => Yes, 0 => No)
- . term: Loan term in months
- . gender: Gender of the borrower
- . age: Age of the borrower
- . purpose: Purpose of Loan

- . home\_ownership: Status of borrower's home
- . FICO: FICO (i.e. the bureau score) of the borrower

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