

# Performance Analysis of Machine Learning Algorithms for the Loan Prediction in the Banking Sector

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## ABSTRACT

In the past few years, the banking industry has improved. As a result, more people are seeking bank loans. Loan distribution is an important part of every business. Banks earn most of their assets when they lend money. The main purpose of the banking sector is to invest their money in secure places where they are present. Nowadays, most banks or financial companies approve loans after a long backlog of checks, but there is no guarantee that the applicant nominated will be the right one from all applicants. In this manner, we are able to predict whether an applicant is safe or not, so the whole feature verification process is done with machine learning techniques. Loan Prediction is useful for bank employees and the applicant as well. An aim to provide a quick, easy, and immediate way to find deserving applicants is proposed in this paper. It can offer special benefits to the bank. The Loan Estimation System can automatically compute the weight of each factor contributing to the loan expenditure, and in new test data, similar factors are considered with their corresponding weight. A deadline is set for an applicant's loan approval. This system makes it possible to switch to an application to be verified first. It is exclusively for the managing authority of the bank/finance company. The whole prediction process is done privately so that no stakeholders can alter the processing. It is possible to send individual loan identification numbers to various banking departments to allow them in taking appropriate action

