ABSTRACT

Arief Rachman Khakim. 2018 Utilization of Data Mining for Credit Feasibility Classification Using Decision Tree Method (Case Study of Multipurpose Business Cooperation Makmur Jaya Pakusari Jember). Thesis, Department of Informatics. Faculty of Engineering. University of Muhammadiah Jember.

Keywords: Data Mining, Credit, and Decision ID3

5C assessment is usually done manually and takes a long time. However, there are still frequent problems such as the presence of customers who are late in paying the installments. Analysis of credit data with other techniques needs to be done to minimize the problem. Data mining techniques are the process of determining patterns and information from large amounts of data (Han, et al, 2012: 8). The process within data mining to distinguish data classes or concepts aimed to be used to predict the class of objects whose class labels are not known is known as classification. In the classification there are several methods such as decision tree.

The problem in this research is how to apply the Decision Tree Method In Lending to the debtor to KSU (Multipurpose Cooperative) Makmur Jaya Pakusari in determining credit risk and can be used to take decision in lending to prospective debtor. While the purpose of applying the Decision Tree Method In Granting Loans to debtors in KSU (Multipurpose Cooperative) Makmur Jaya Pakusari can determine the credit risk and can be used to take decisions in granting loans to prospective borrowers.

This research uses the Decision Tree Method which uses tree representation where the uppermost node is called root and each node represents the attribute, the branch represents the value of the attribute and the leaf represents the class.

Successfully Implementing the Decision Tree Method where the most influential attribute is Warranty, and more efficient using the Decision Tree Method than using the manual method.