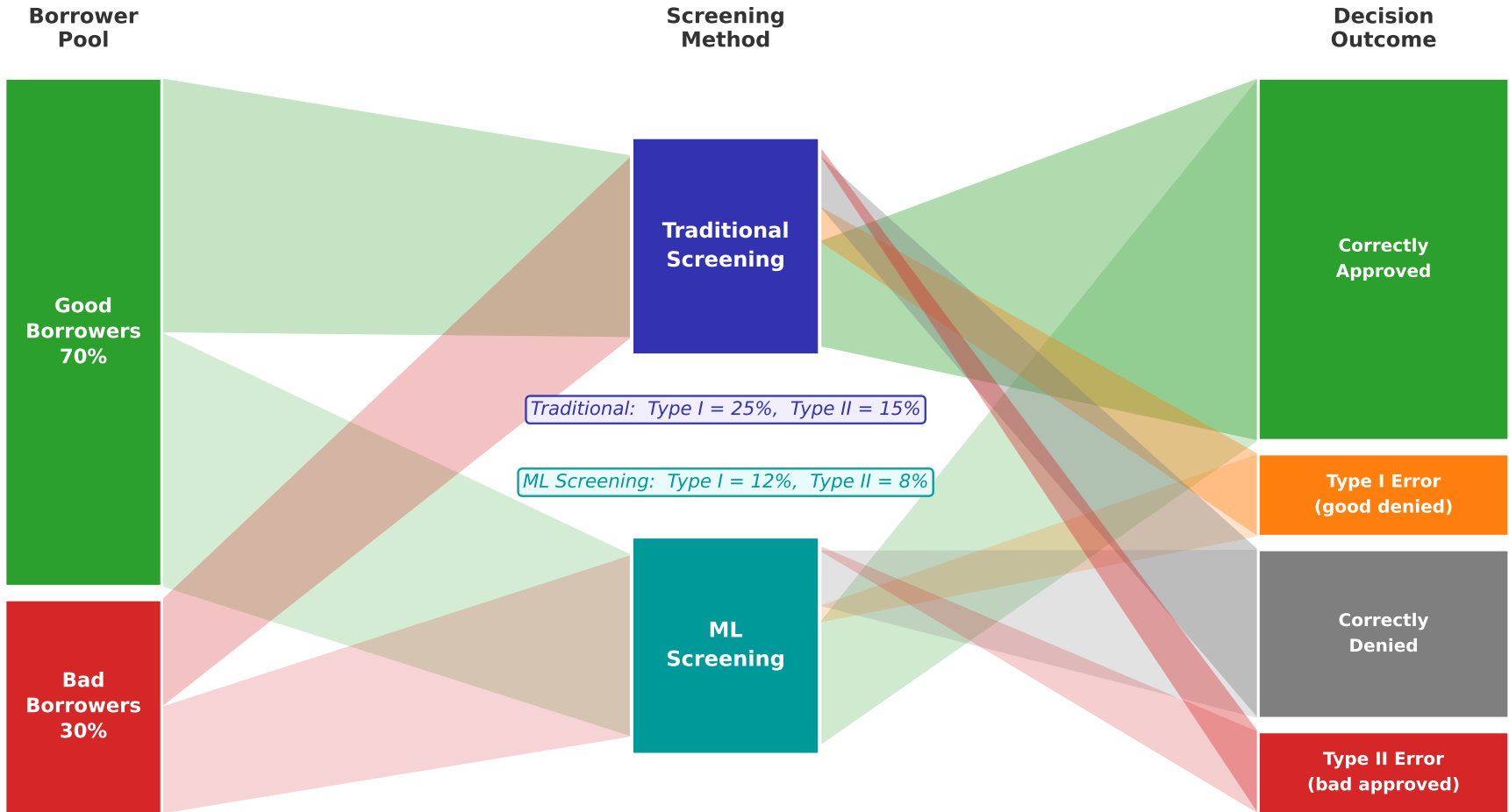


# Information Asymmetry in Lending: Screening Effectiveness



Traditional Screening

ML Screening

Correct outcome

Type I Error (good borrower denied)

Type II Error (bad borrower approved)