



# Lending Club Case Study

Exploratory Data Analysis

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# About Lending Club Case Study:



## Problem Statement:

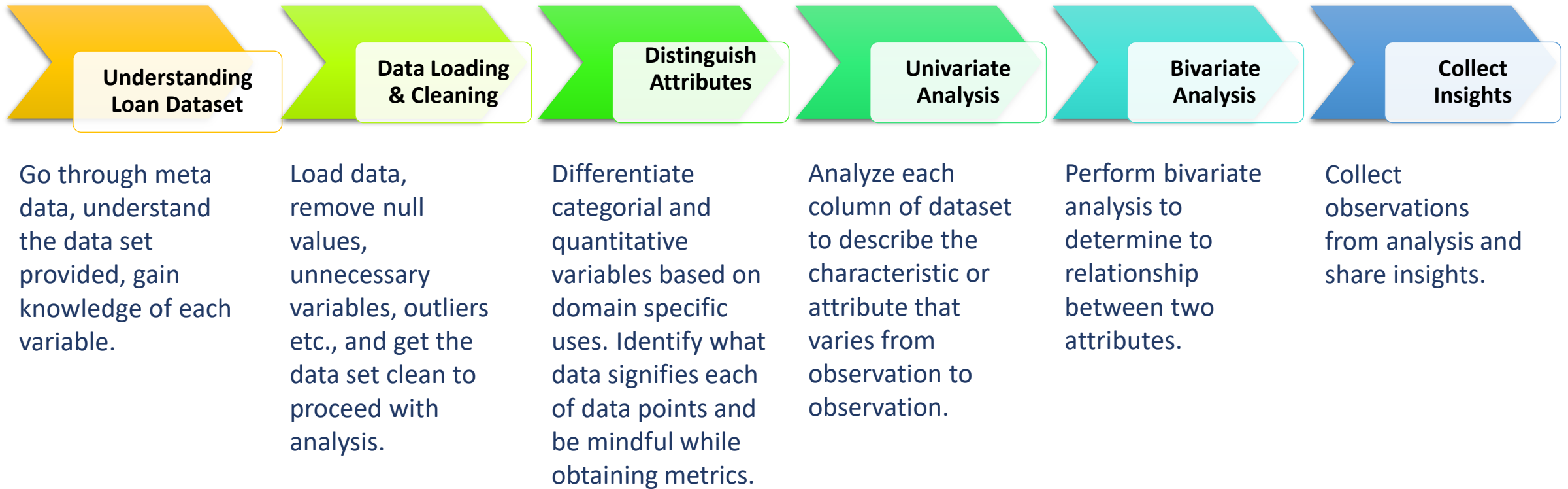
**Consumer finance company** which specializes in lending various types of loans to urban customers. This company is the largest online loan marketplace, facilitating personal loans, business loans, and financing of medical procedures. Borrowers can easily access lower interest rate loans through a fast online interface.

Lending loans to 'risky' applicants is the largest source of financial loss (called credit loss). The company wants to understand the **driving factors (or driver variables)** behind loan default, i.e. the variables which are strong indicators of default so company can utilize this knowledge for its portfolio and risk assessment.

## Objective:

Perform Exploratory Data Analysis to analyze loan dataset of the company and identify variables which are strong indicators of defaulting loan.

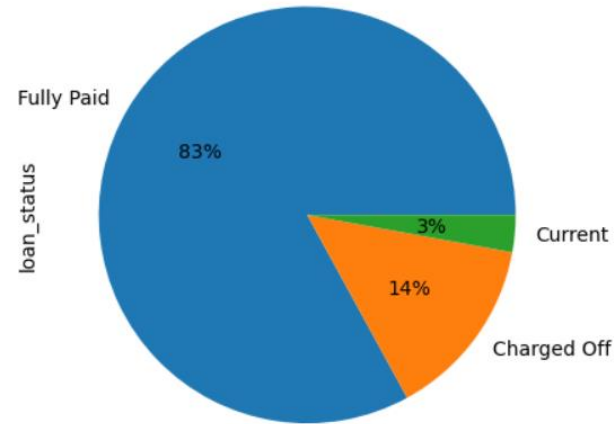
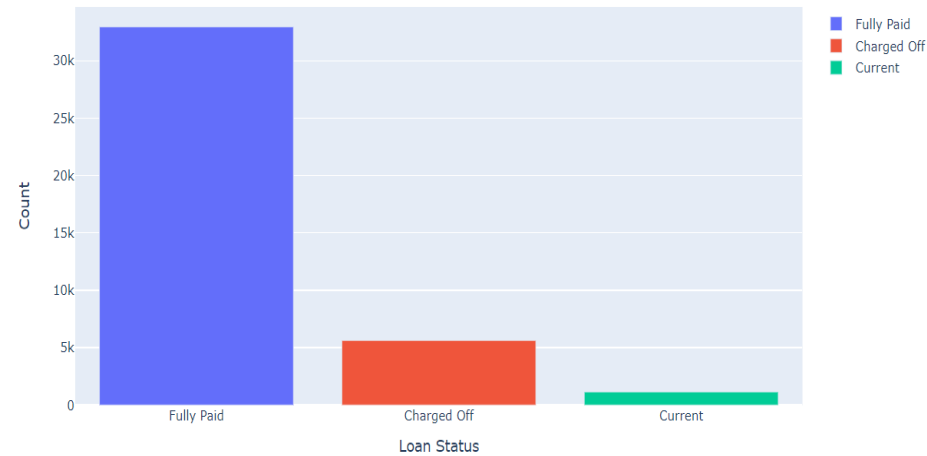
# Approach followed:



# Analysis details:



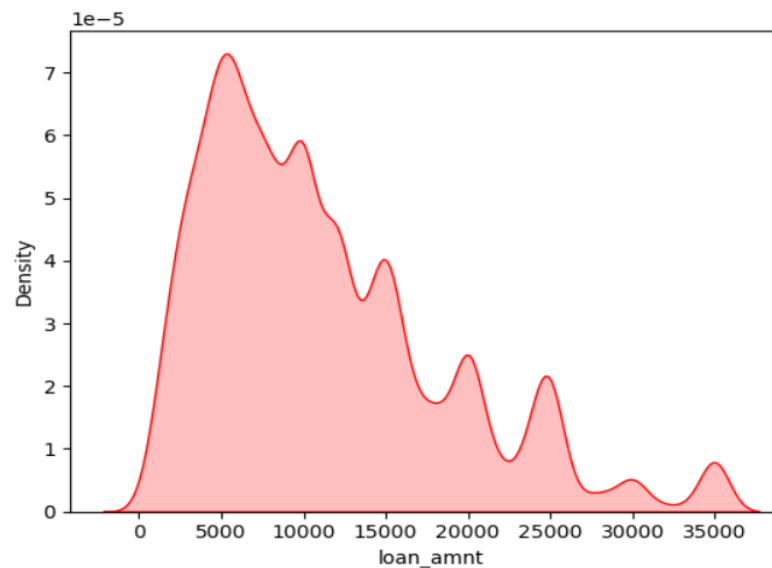
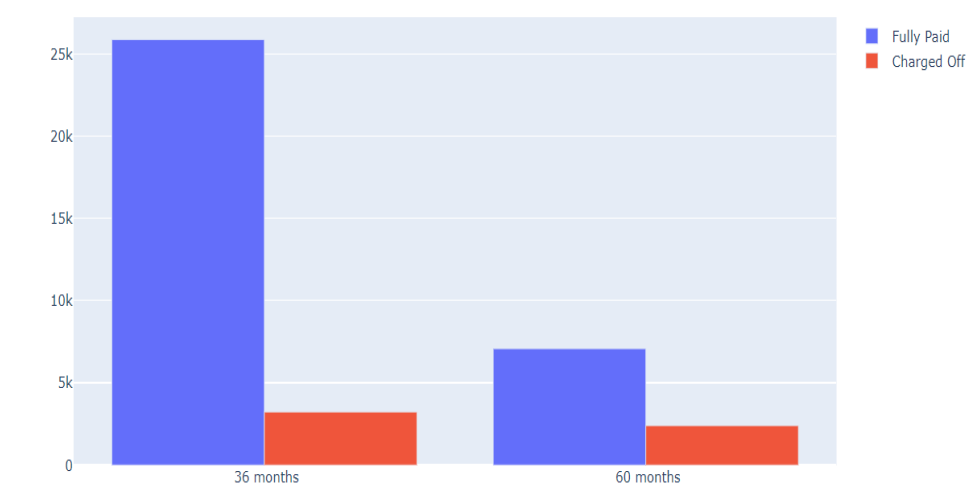
Loan Status distribution



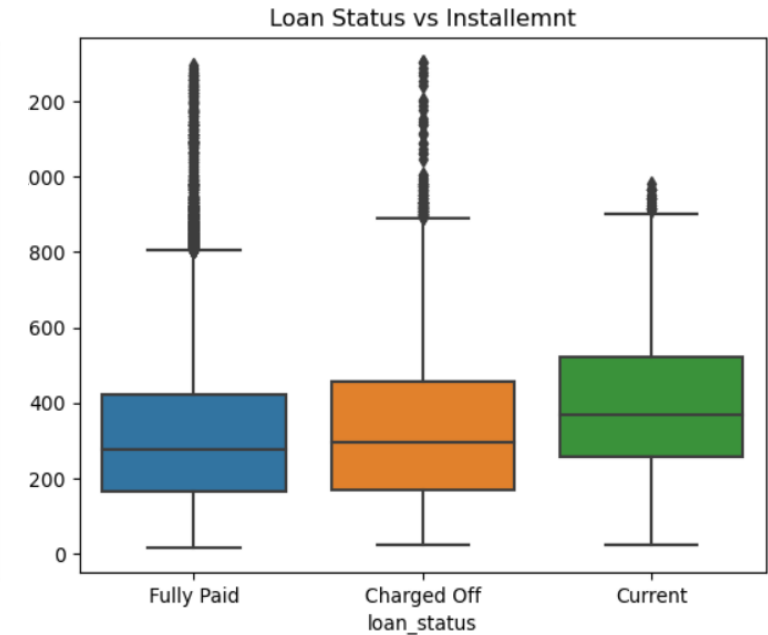
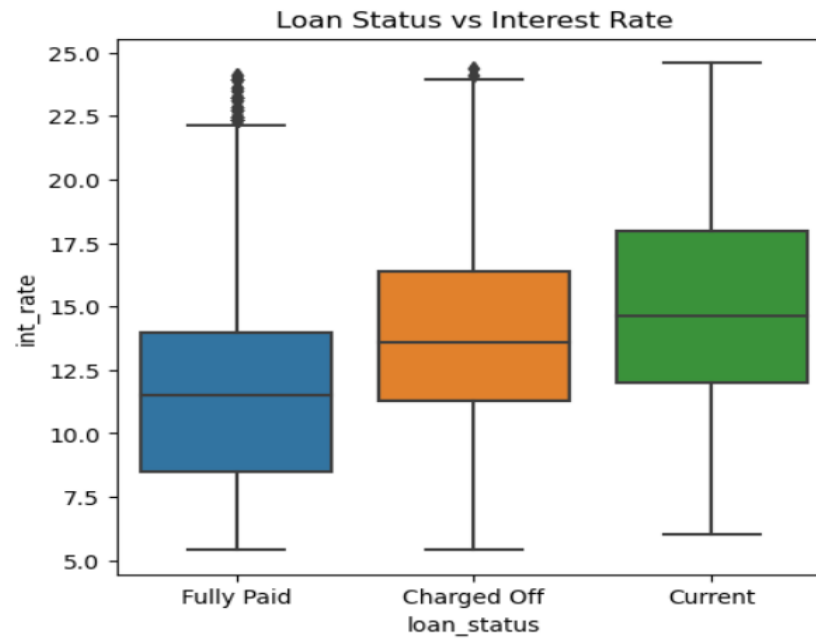
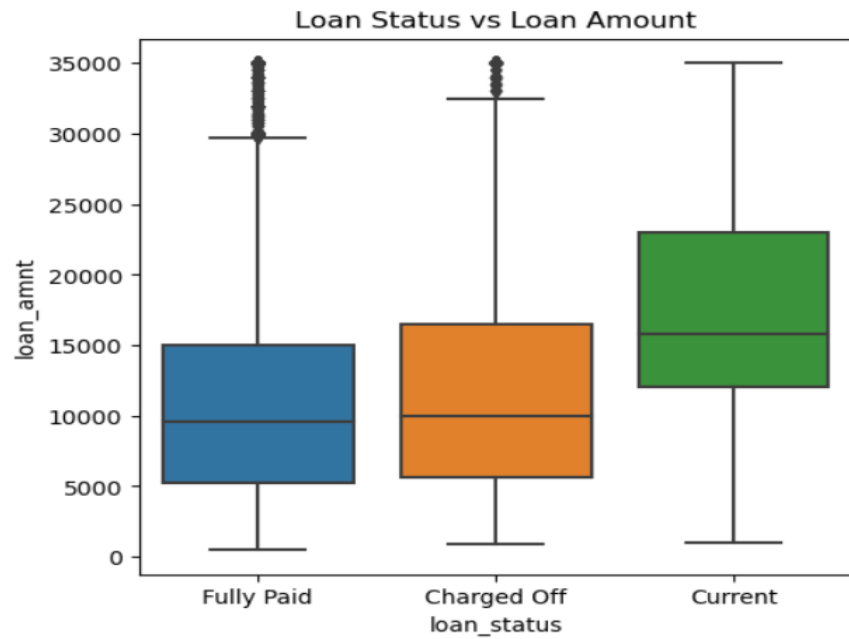
## Observation:

- 14% of loan applications are Charged off.
- More loans have short term.
- Most of loan applications are below 15K.

Term Distribution



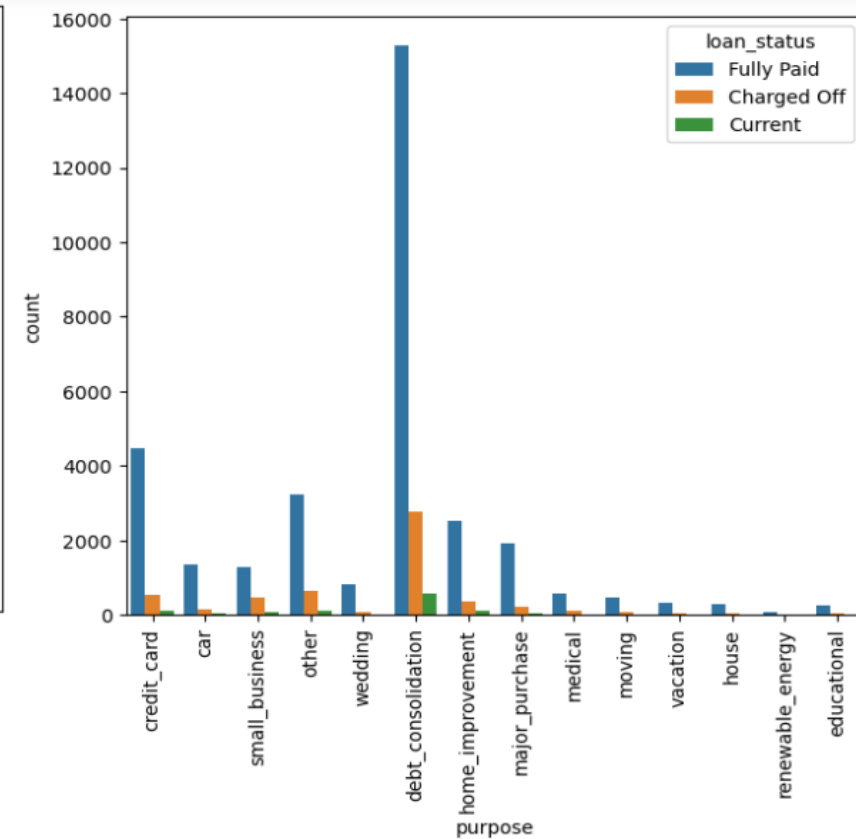
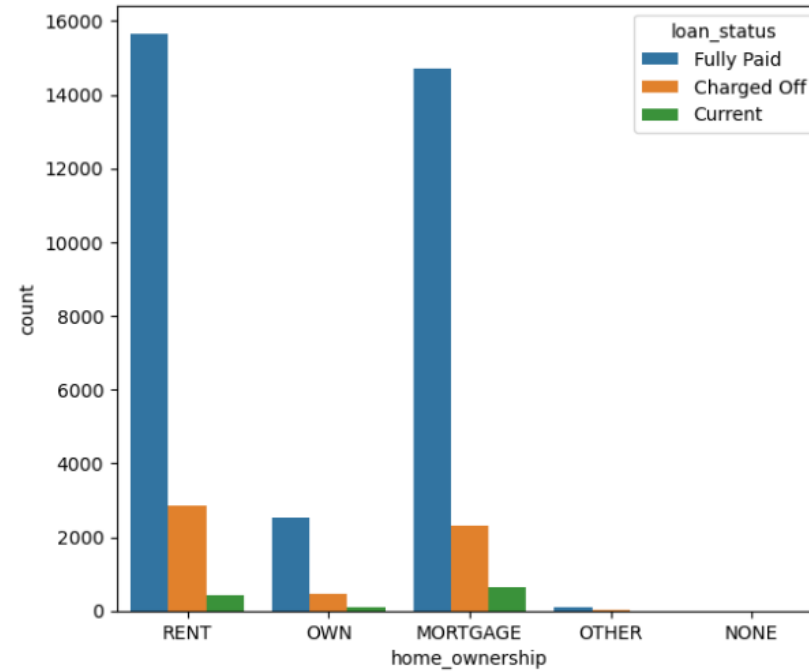
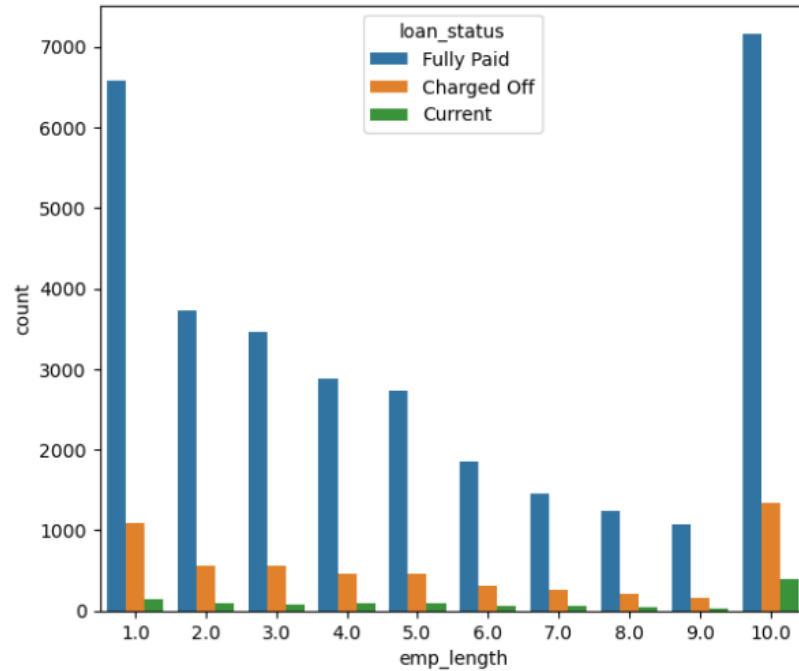
# Analysis details:



## Observation:

- For same range loan amounts there are different interest rates. Loan amounts which has high interest rates have high chances for charged off.
- In case of Charged off loan applications, installment is little higher.

# Analysis details:



# Analysis details:





# Analysis details:



# Insights:

