

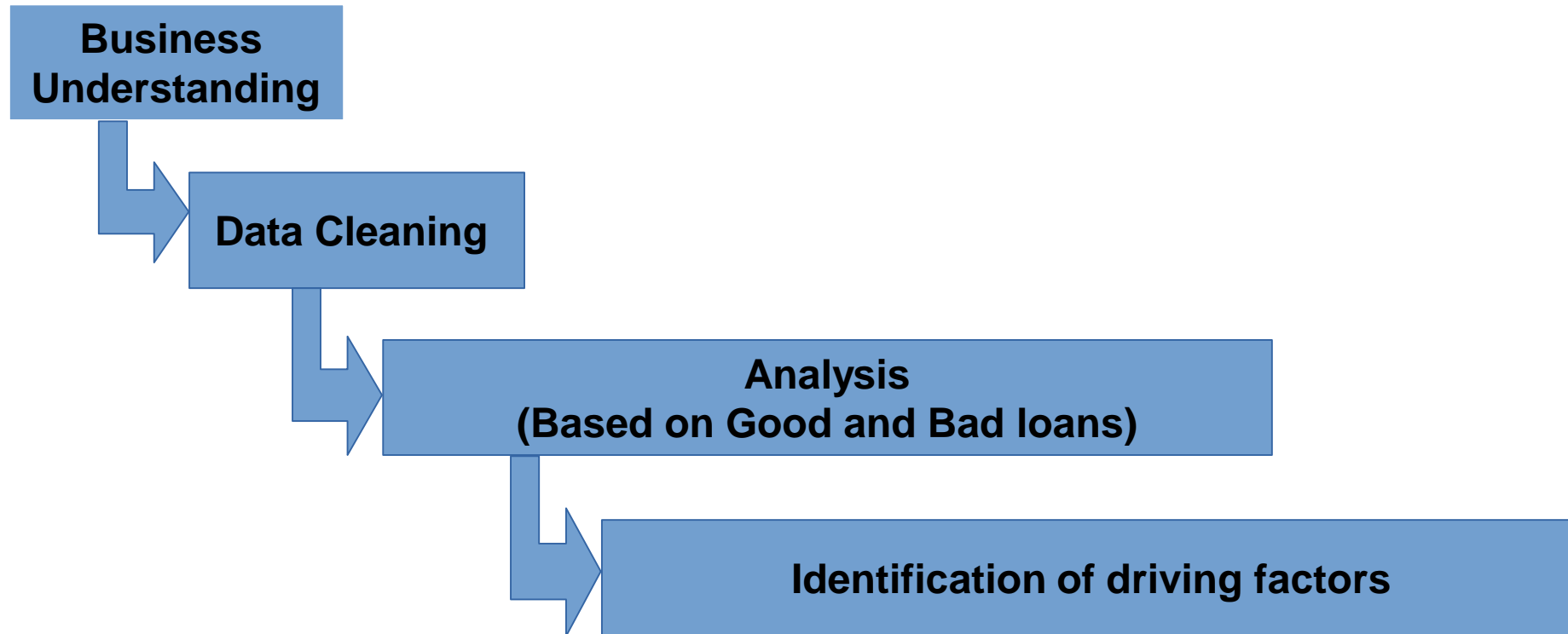
Lending Club Case Study

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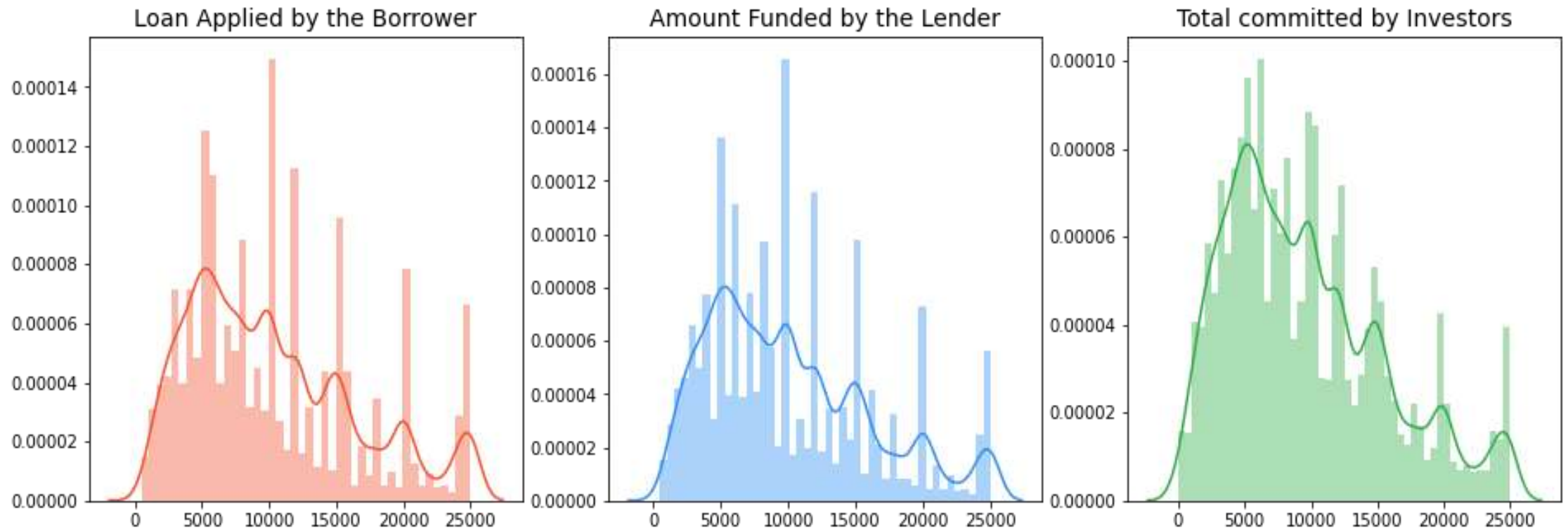
Abstract

- Goal: To identify the driving factors for the risky loans.
- The company wants to understand the driving factors (or driver variables) behind loan default, i.e. the variables which are strong indicators of default. The company can utilize this knowledge for its portfolio and risk assessment.

Problem solving methodology

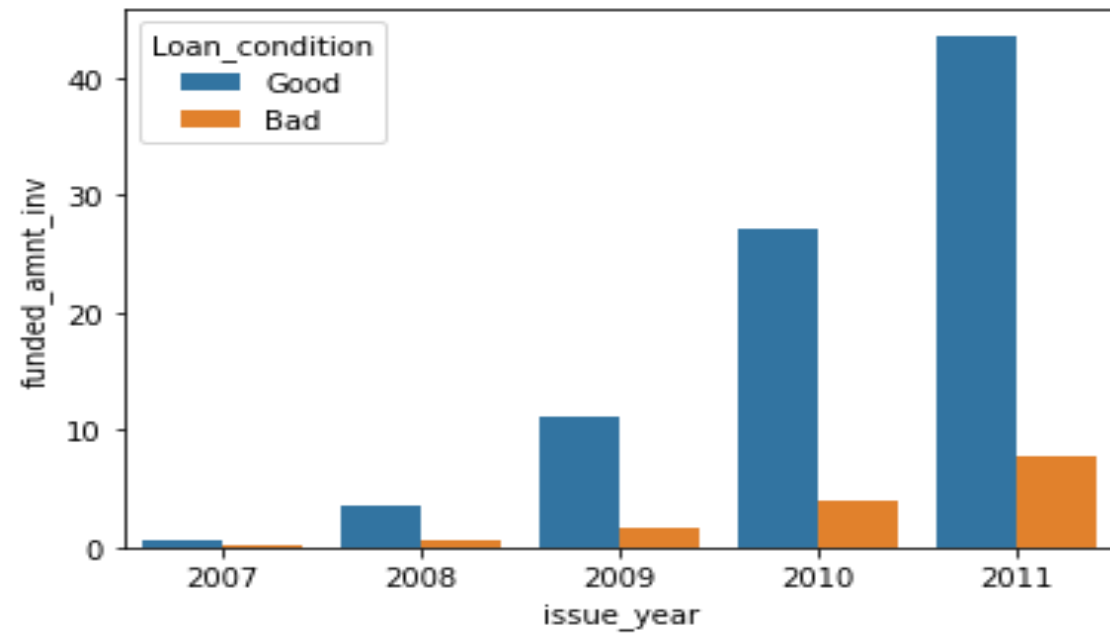
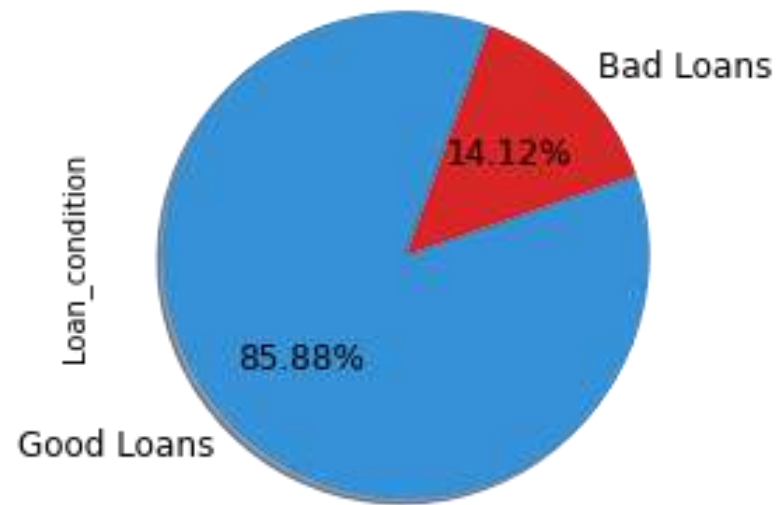


Data Understanding:



Mostly everyone got the desired loan amount.

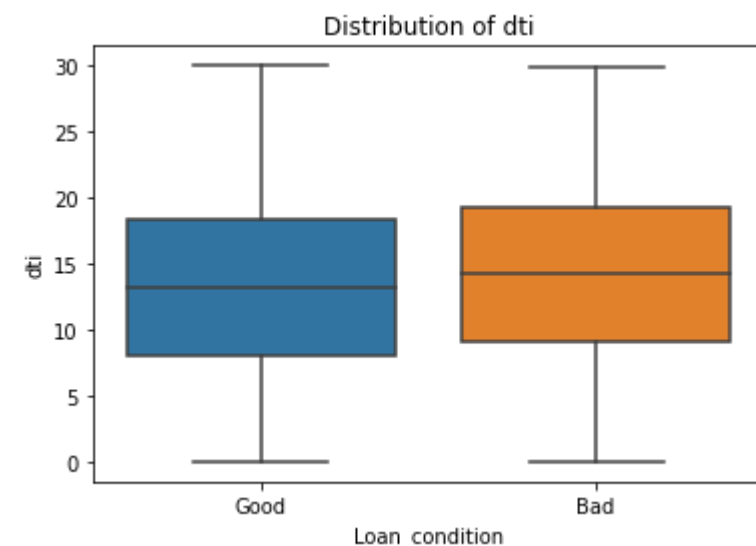
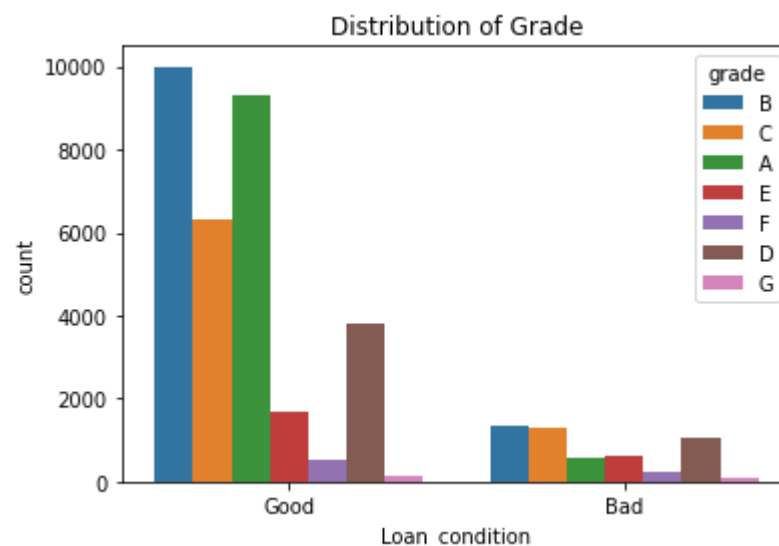
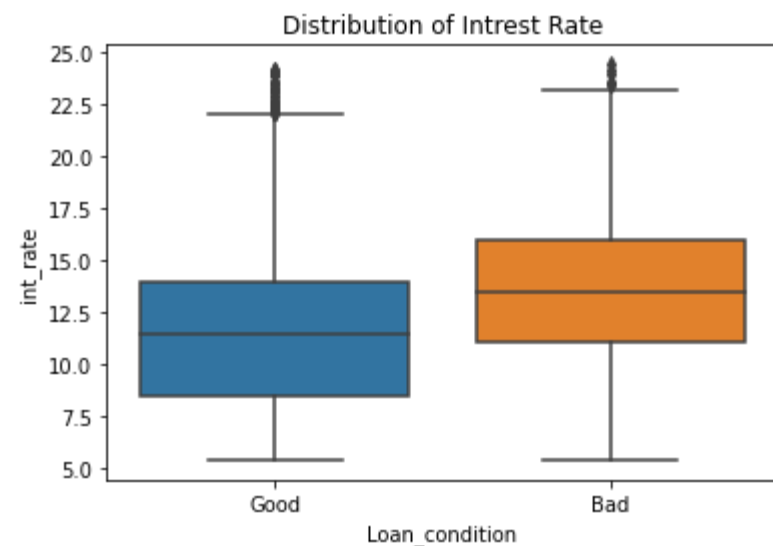
Data Understanding contd.



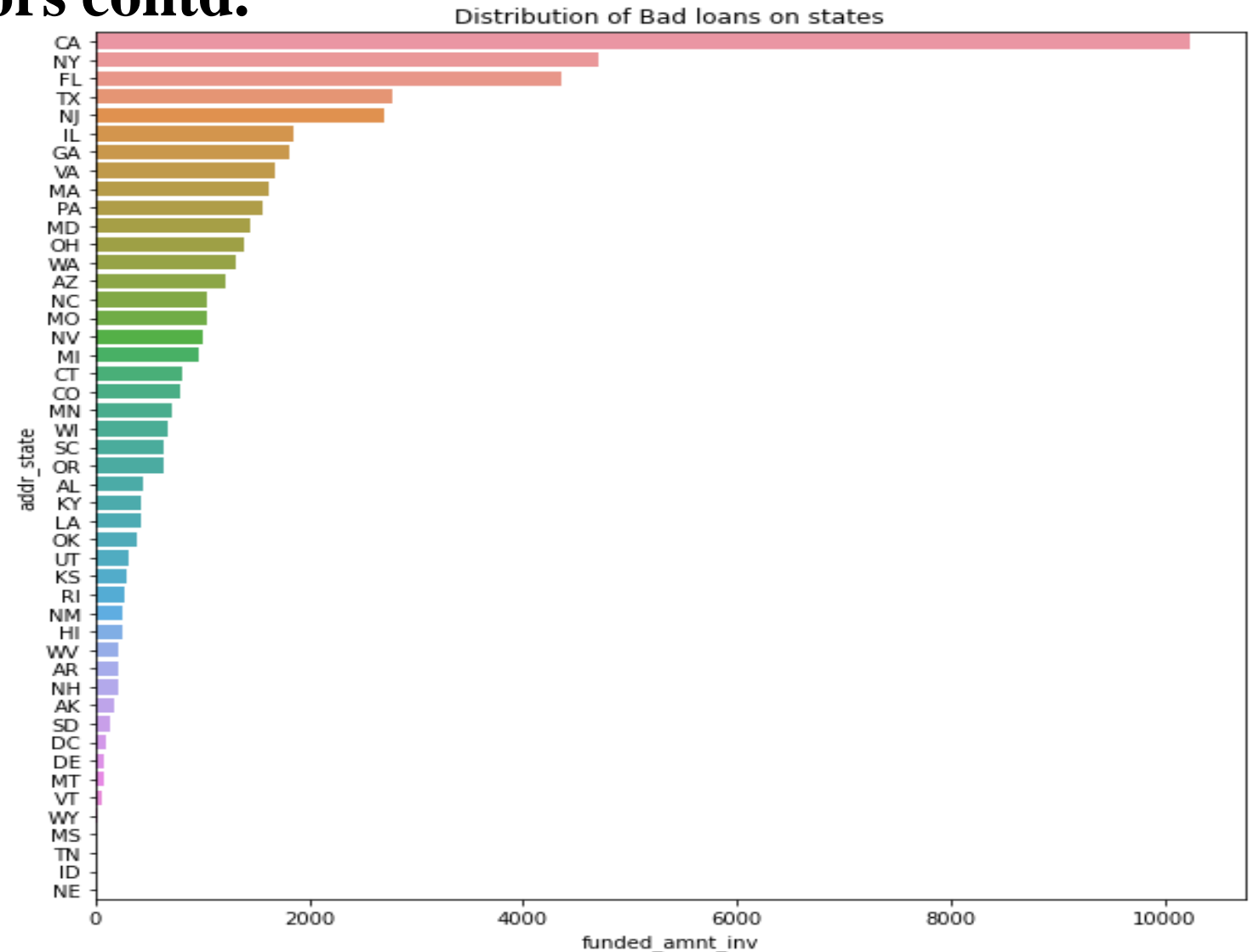
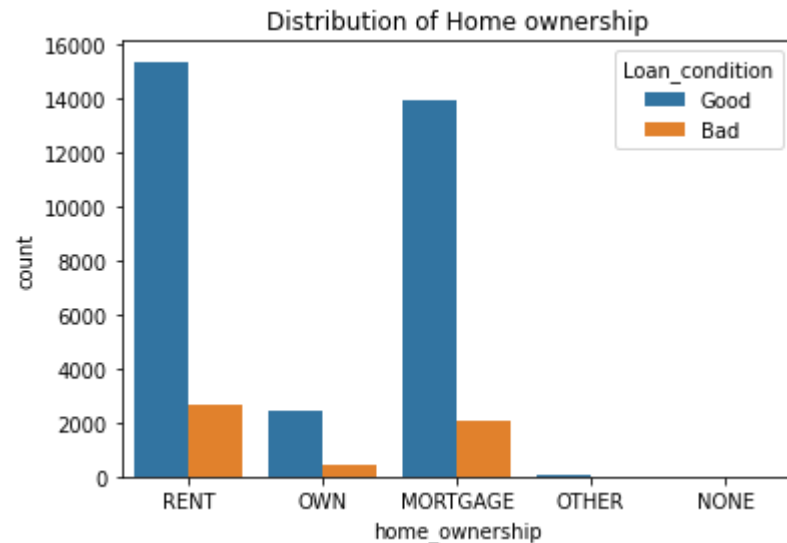
Data Cleaning

- We have dropped 56 columns having 100% missing values.
- Columns related to customer behavior has been dropped.
- Rows containing the current loan has been dropped.
- Special characters has been removed from data.
- Columns containing string entries has changed to lower case.
- Columns having single entry has also been dropped.

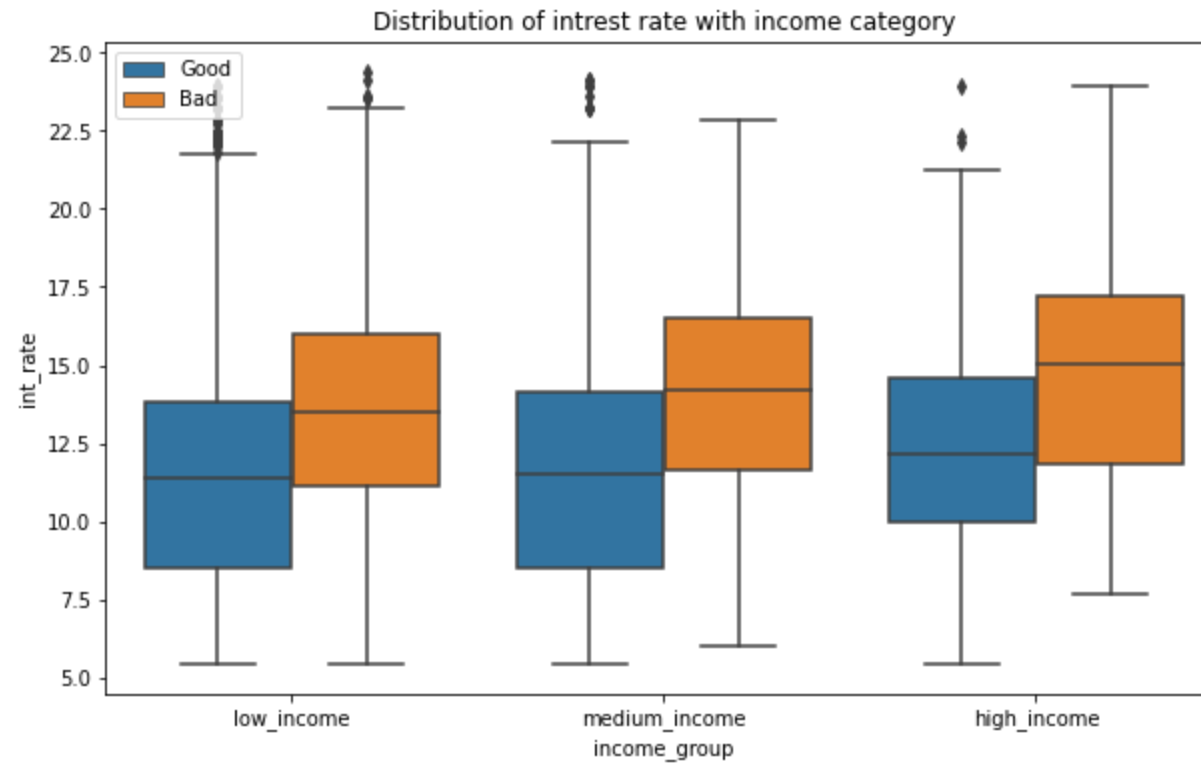
Identification of driving factors:



Identification of driving factors contd.



Identification of driving factors contd.



<Conclusions>

From the observations,

We found the major driving factors will be,

- Interest rate
- Grade
- DTI
- Home ownership
- States.