

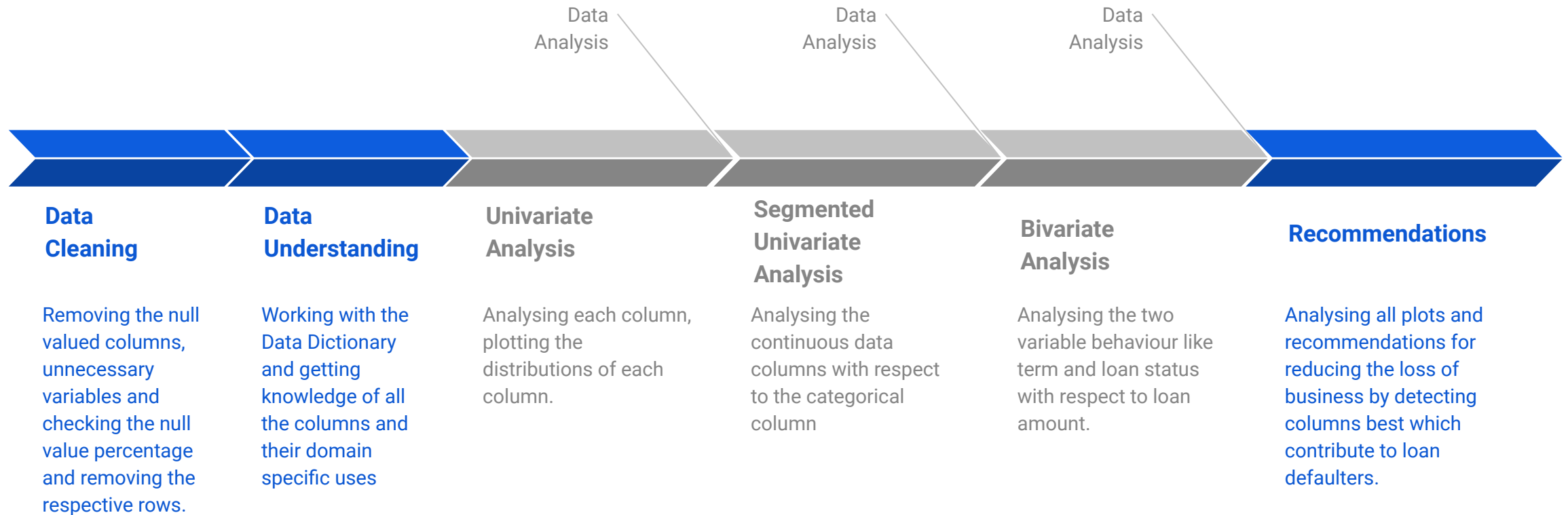
Lending Club Case Study

Group Members:
Kowsthubha HC

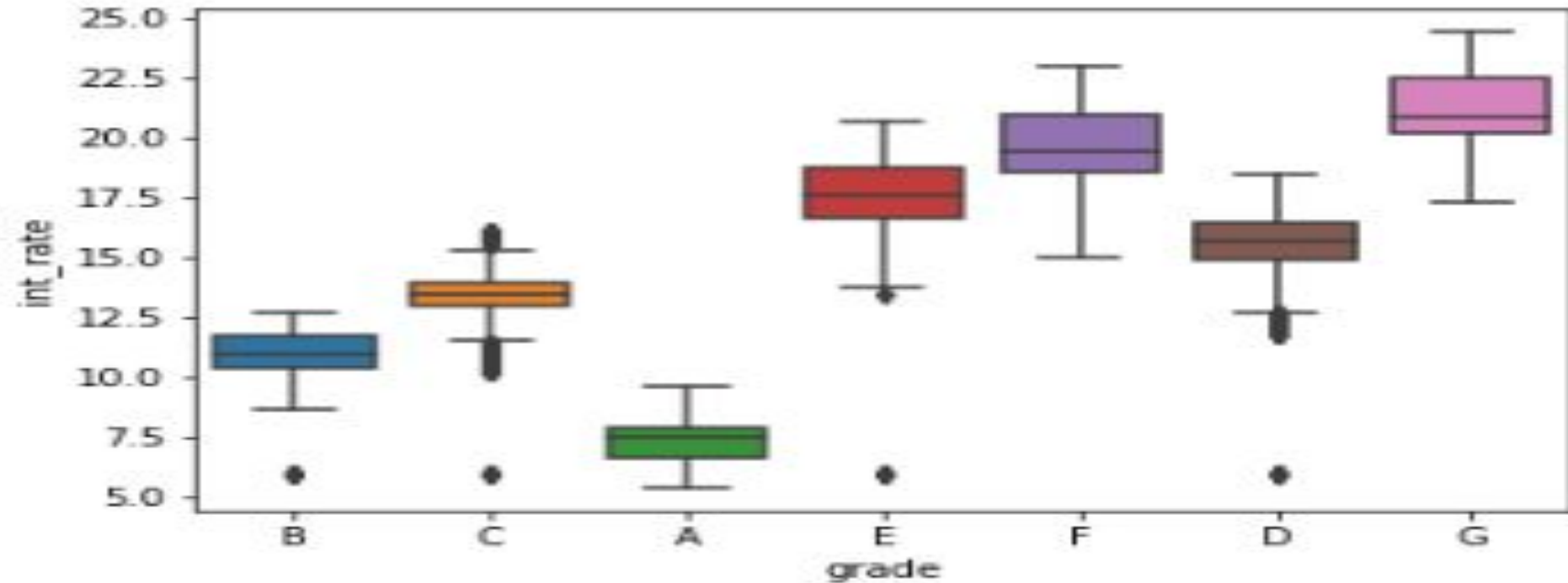
Abstract

- Lending club 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.
- The objective of analysis is to use the information about past loan applicants and find whether they ‘defaulted’ or not.

Problem solving methodology

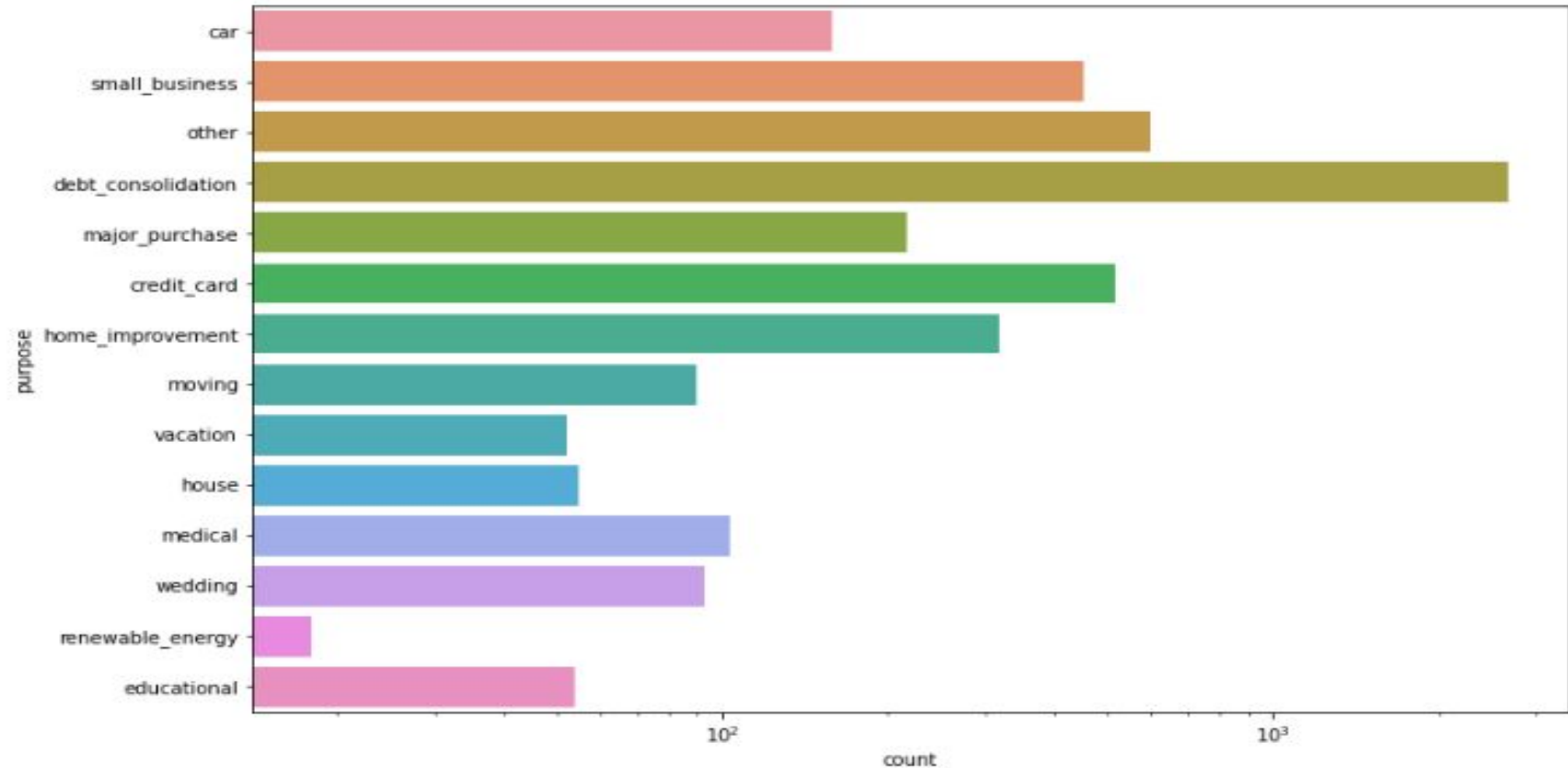


Analysis



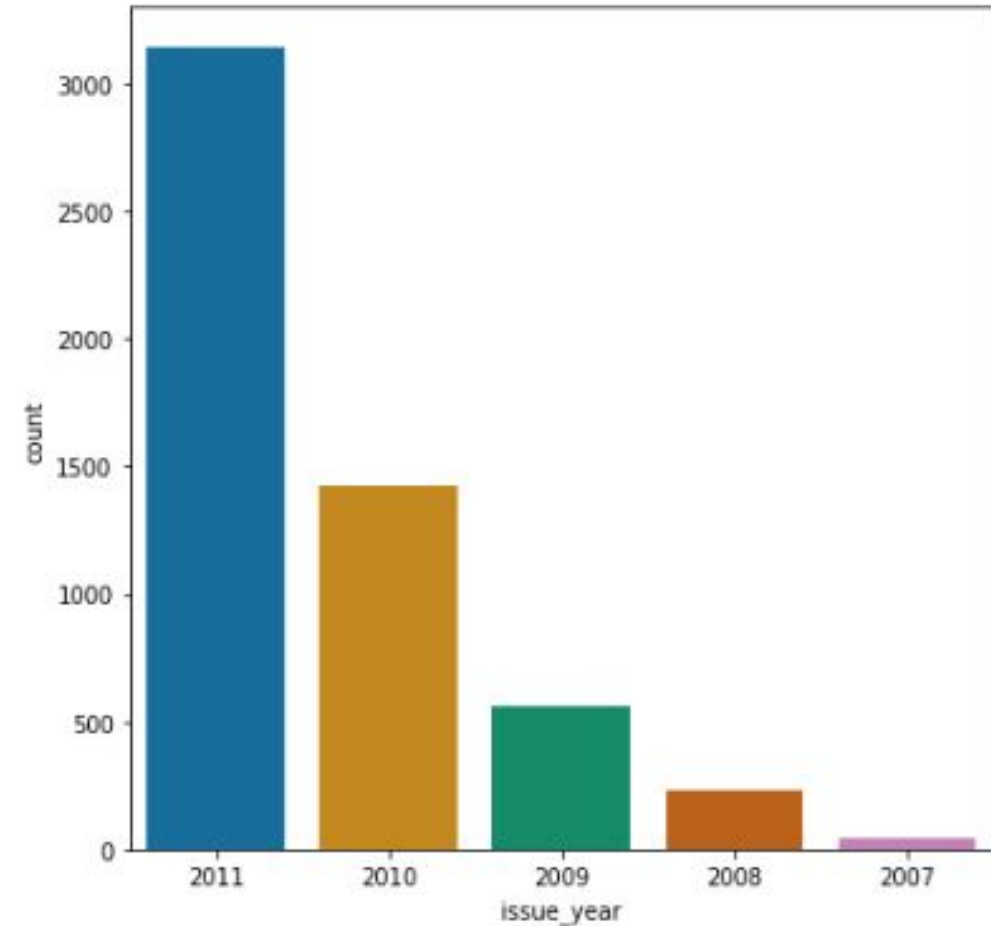
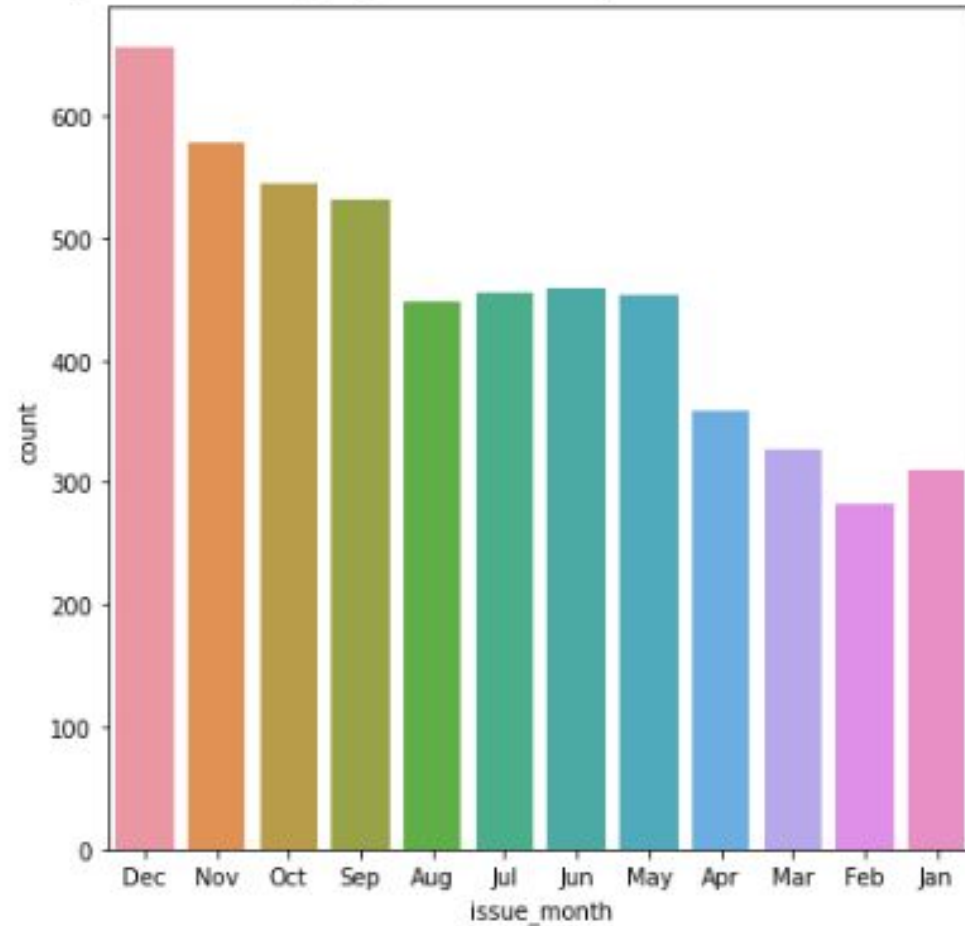
- Lending club int_rate increases with the Grade ascending order A, B, C, D, E, F, G

Analysis

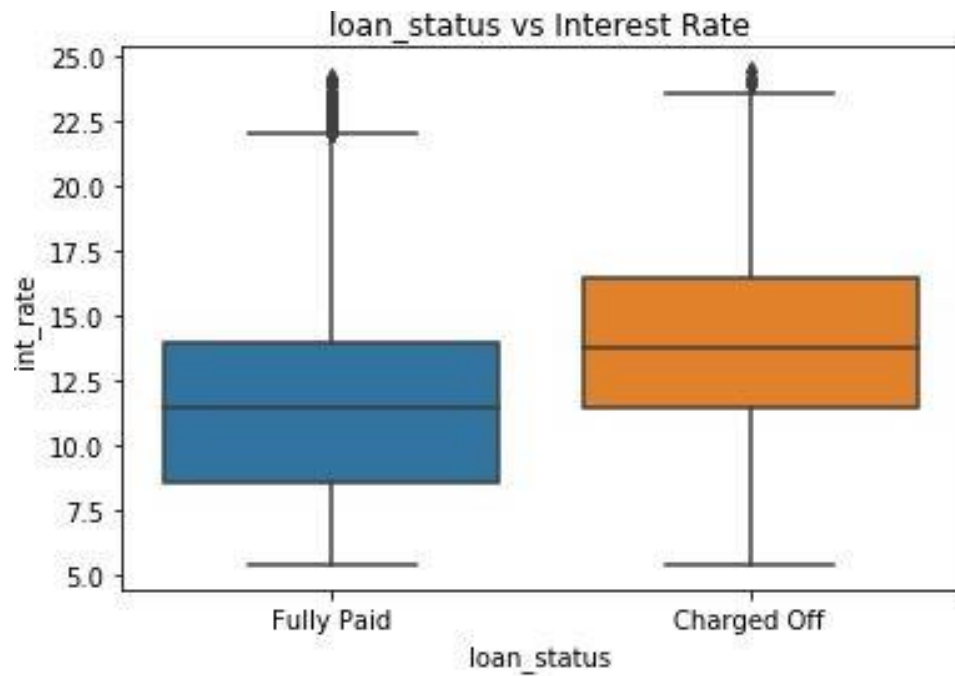


- Analysing the Loan Purpose - debt_consolidation, other, credit card, small business are the leading purposes

Analysis

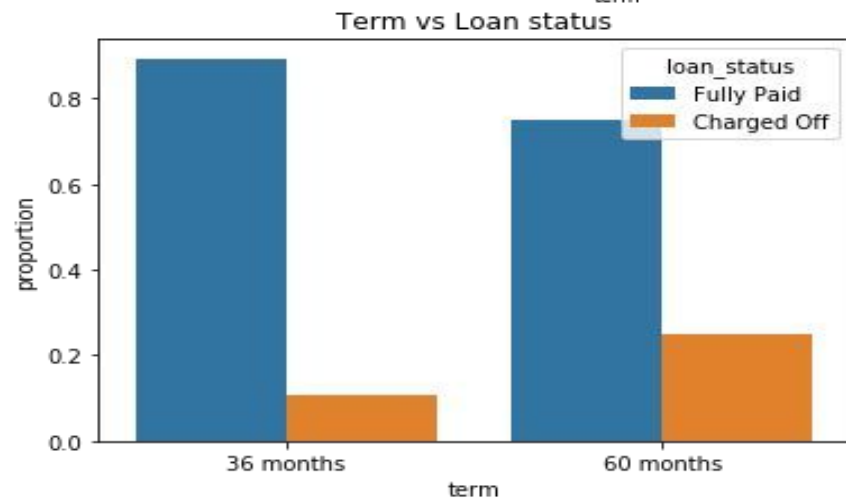
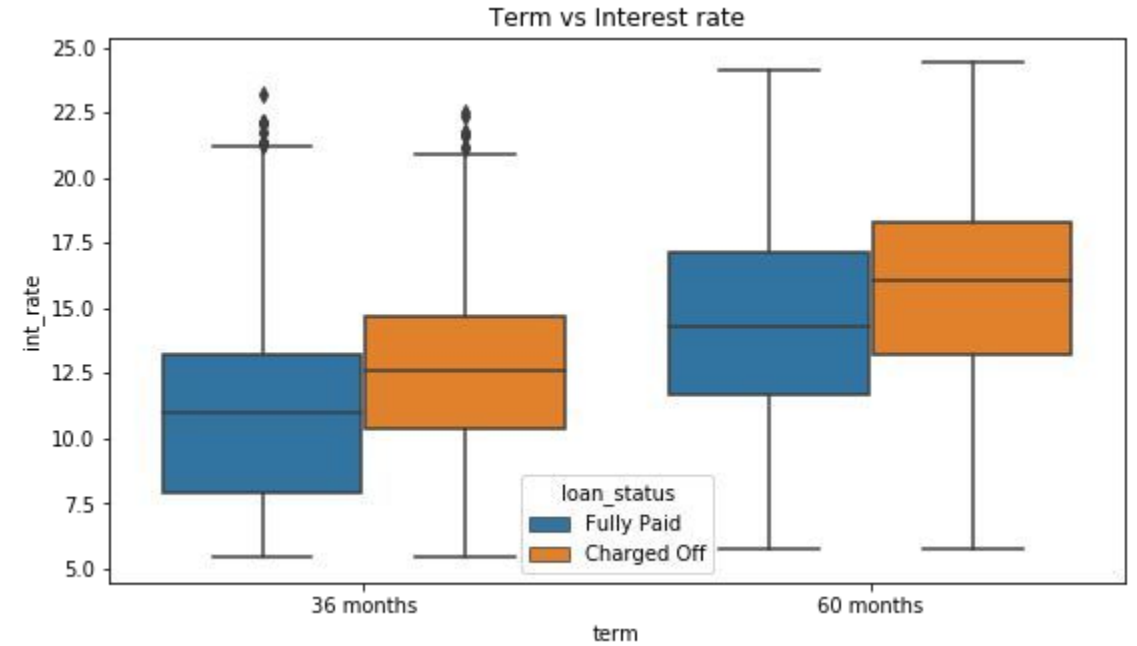
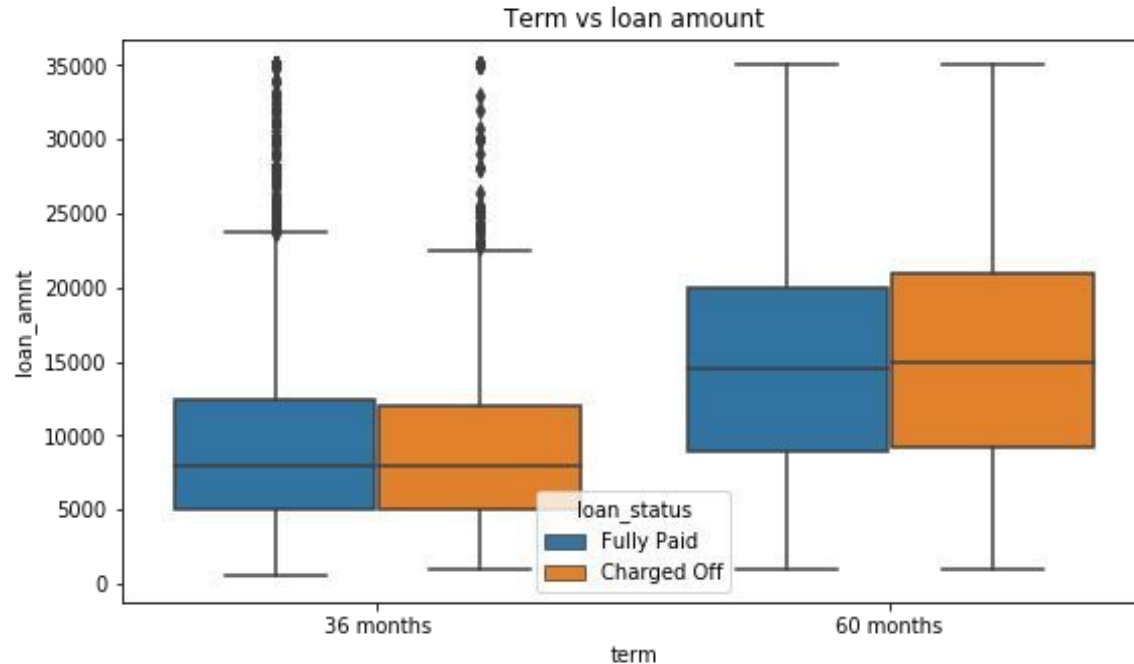


- Loan distribution over years and across month over the years is seen as above
- Loan distribution increases with the months of the year, so in December we can see larger distribution



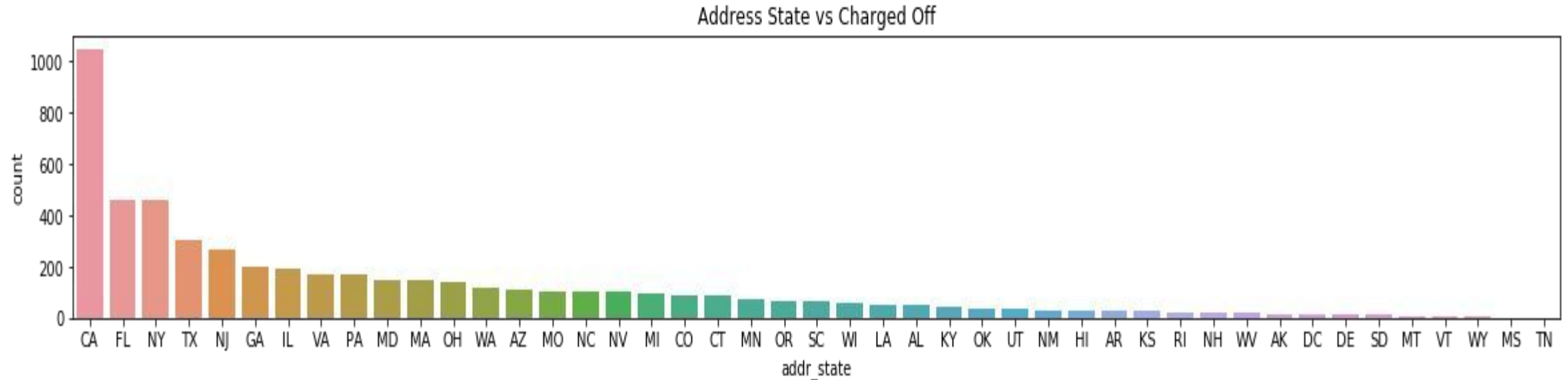
When the loan interest rate is high there is high chance of loan getting defaulted.

Analysis



The default rate is high in 60 months tenure because most people took high loan amount with high interest rate in it and they faced difficulties in returning the sum to bank.

Analysis



The loans which are given for CA, FL and TX state borrower's are defaulted more than other states.

Conclusions

- Grades are good metric for detecting defaulters. Lending club should examine more information from borrowers before issuing loans to Low grade (G to A).
- Lending club should reduce the high interest loans for 60 months tenure, they are prone to loan default.
- Small business loans are defaulted more. Lending club should stop/reduce issuing the loans to them.
- Lending Club should control their number of loan issues to borrowers who are from CA, FL and NY to make profits.
- People with more number of public derogatory records are having more chance of filing a bankruptcy. Lending club should make sure there are no public derogatory records for borrower.
- Borrowers with mortgage home ownership are taking higher loans and defaulting the approved loans. Lending club should stop giving loans to this category when loan amount requested is more than 12000.