Credit EDA Case Study

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Background :

Loan Providers are facing tough situations to give loan to Customers due to lack of insufficient credit history as well as not having adequate history of loan defaulting Customers. Due to this reason many unworthy Customers are raking in benefits by getting loans and not paying the loan back thus inducting huge losses to Creditors .

Objective :

To find what all are the driving factors that lead to defaulting by the customers. And can also help in the decision making of approving or rejecting of a Loan application .
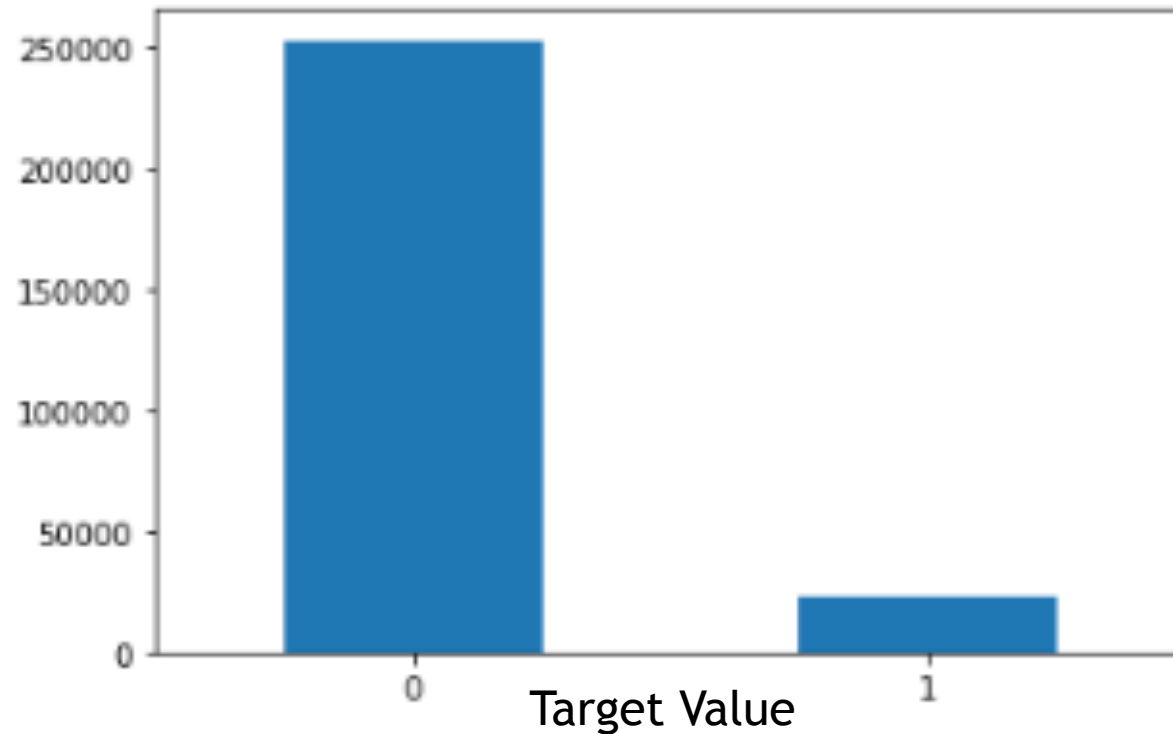
Data Analysis Flow Chart
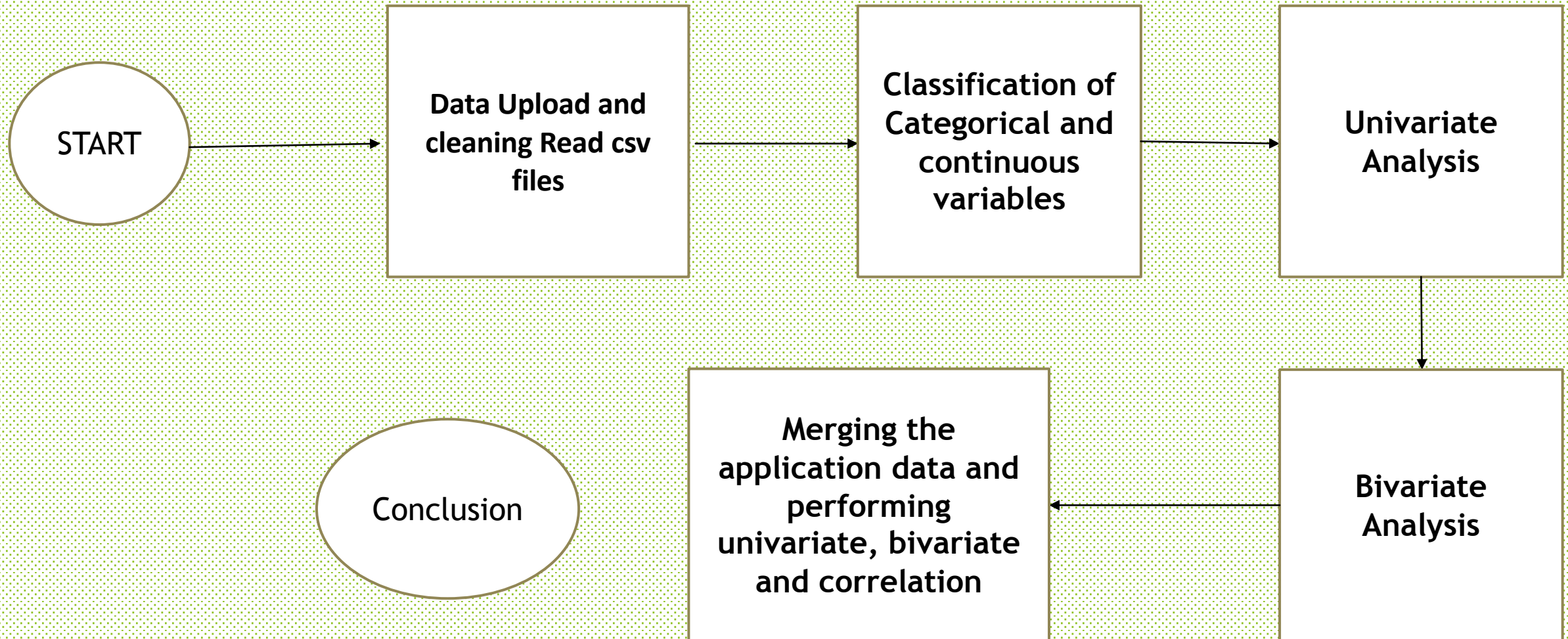
Understanding the Data

Close to 9% people have chances for default

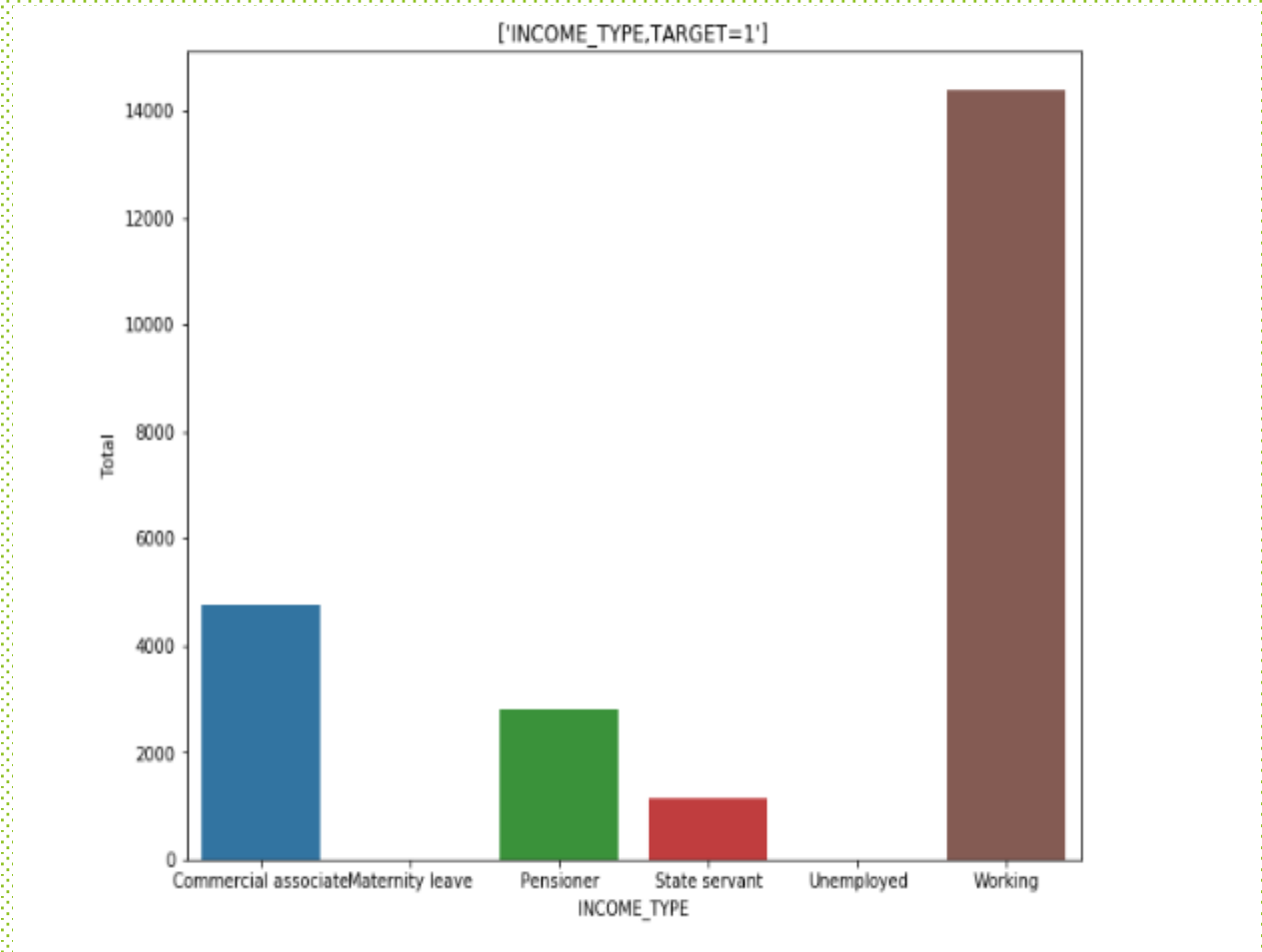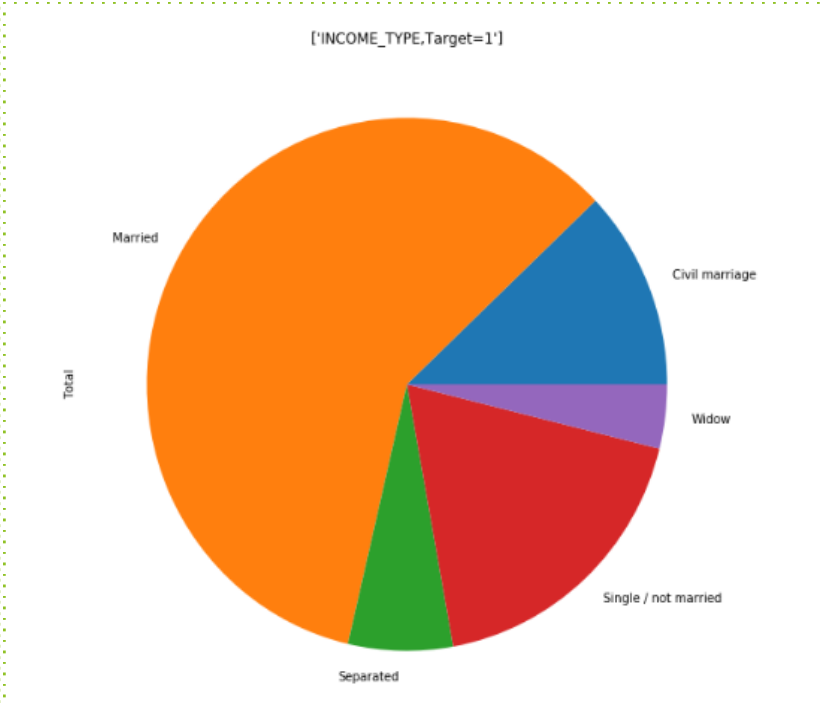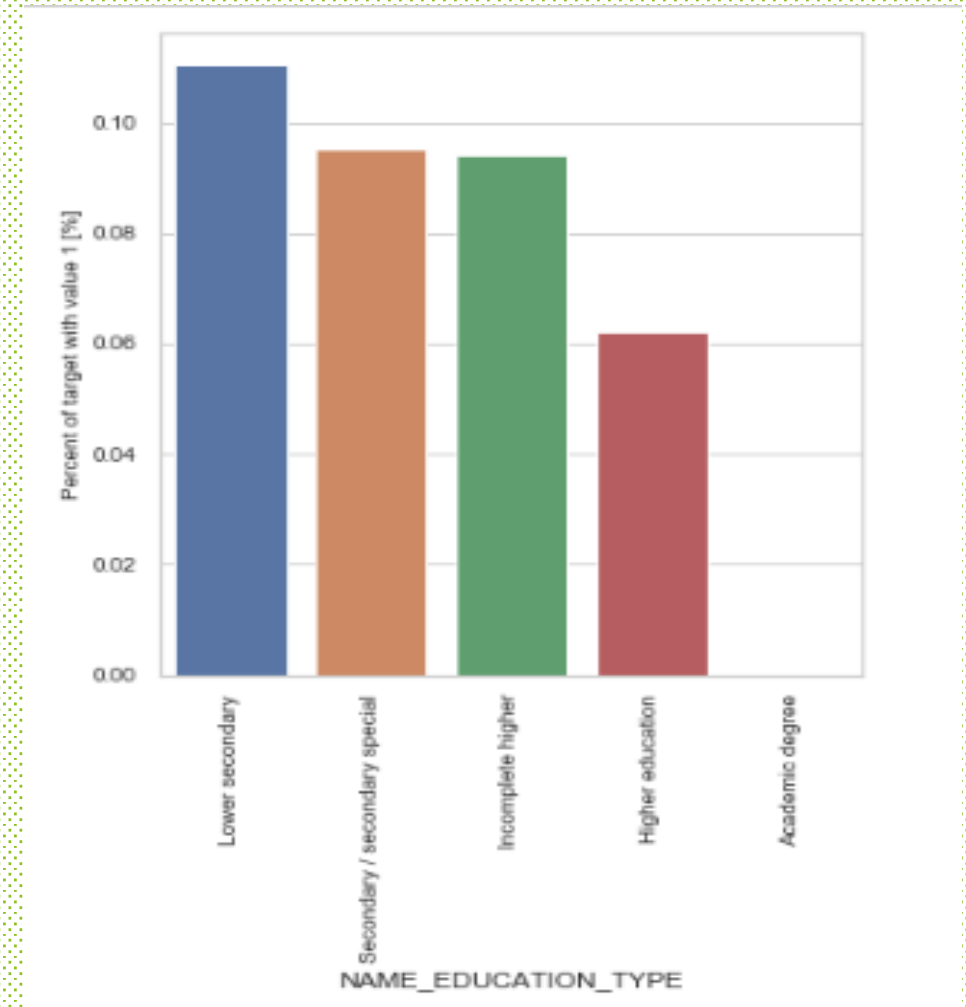# Default driving Variable Analysis

Income type: Mostly working class people
comes beneath default Category

Family Status: Married Couples are most probable
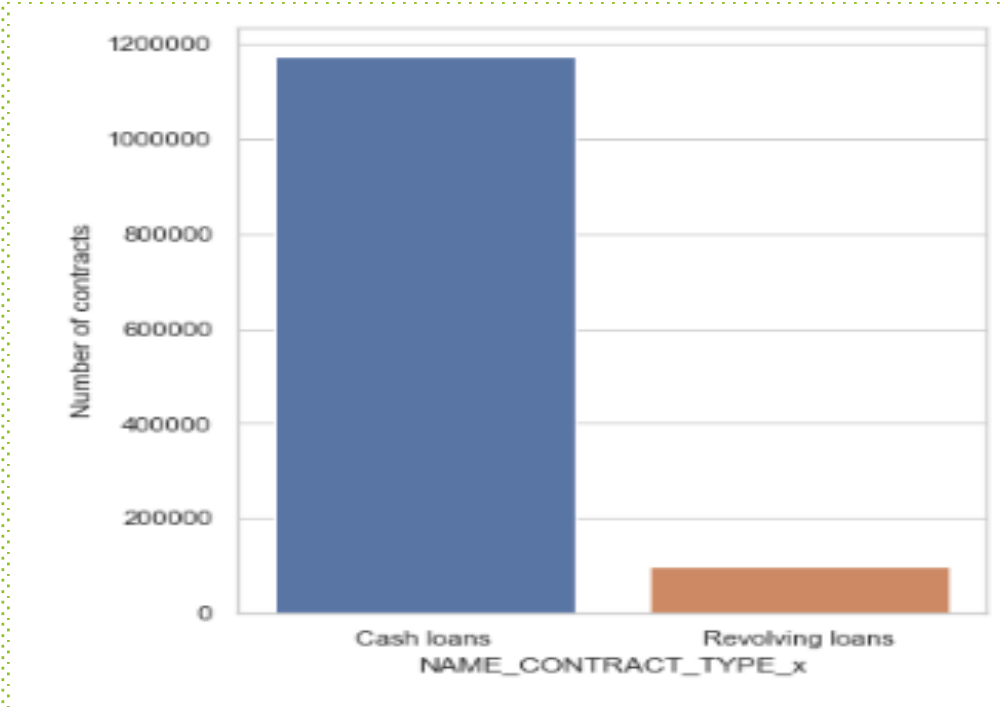to default

Default driving Variable Analysis

Higher is the education of the individual ,higher is the Repayment Rate. That is Education Level is directly proportional to the Repayment Rate.
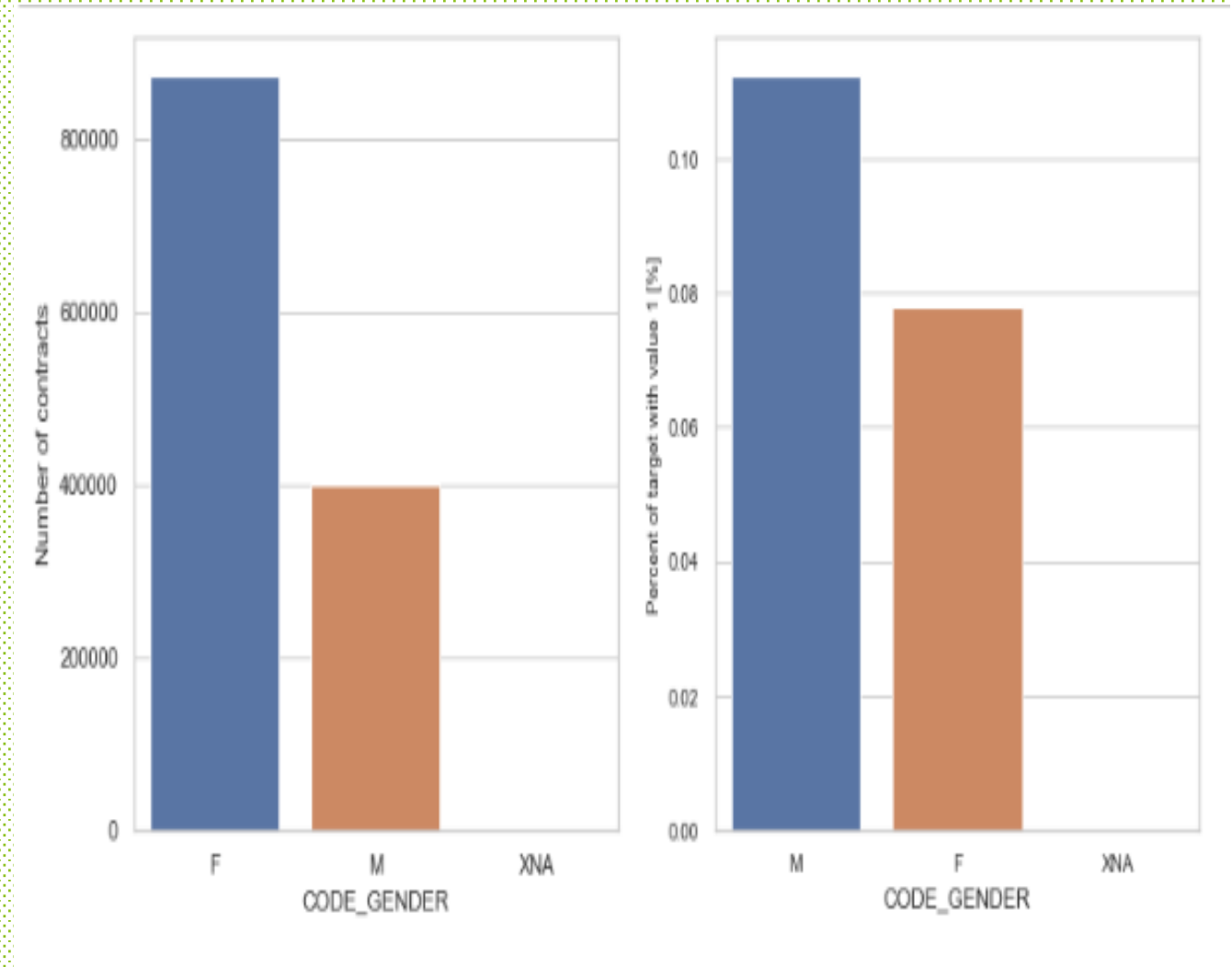
Default Rates Corresponding to the purpose of loan taken for

More chances of default lie in the cash loan category.
Cash Loan taken for Hobby and Car repair purpose has the
Highest Default Rates
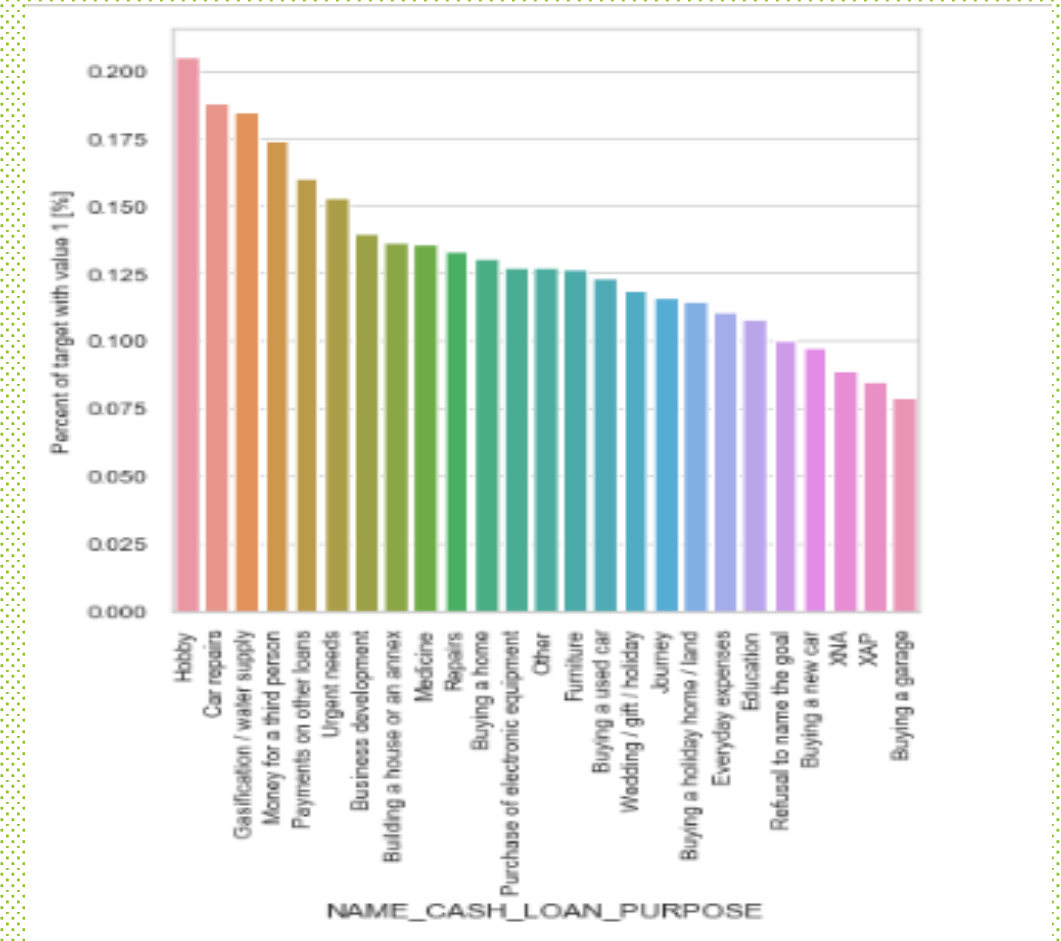
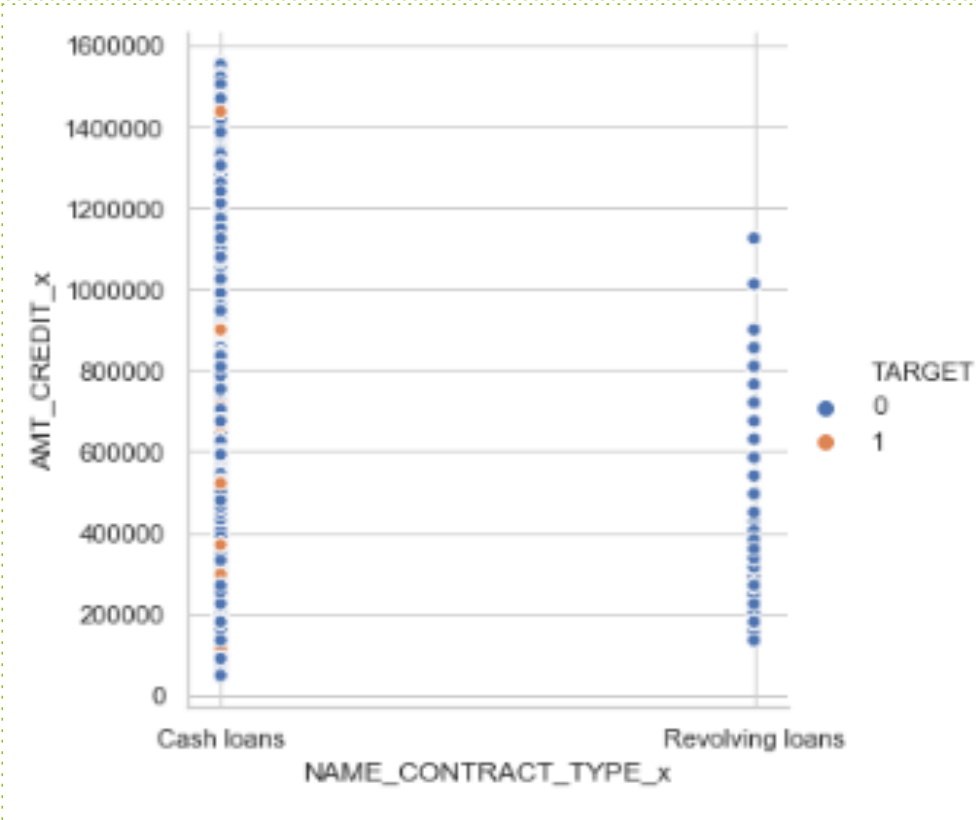# Default Rate taking Gender into Consideration

Females are more likely to default on the loans
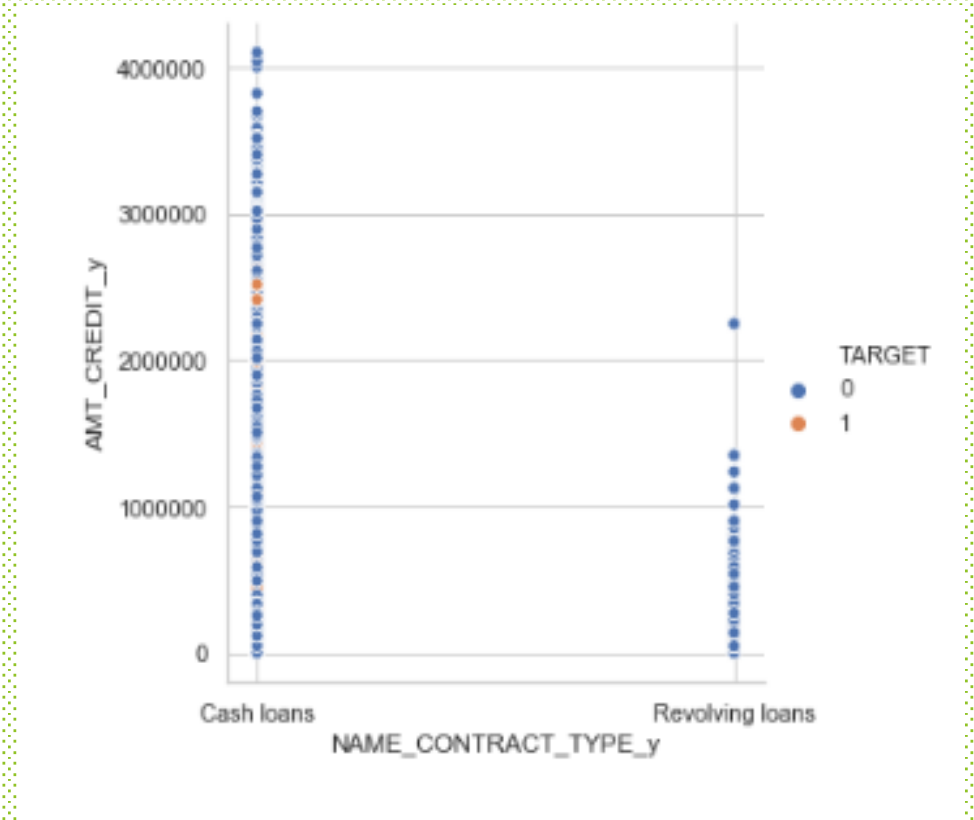Taken by them as compared to Males.

Analysis based on prior Application Data

Credit amount has substantially increased so the Default Rate also increased because of this. Banks and the Creditors should consider this fact too .

Previous Application

Application Data

Conclusion

From this Exploratory Data Analysis We have concluded the following points. The aim of this case study is to identify the defaulter and non defaulter.Our exploratory data analysis is going to reduce the risk of losing money while giving the loan to the customers:

1. Customers repeating are not likely to face payment issues because the credit is well balanced against AMT_APPLICATION

2. There is no correlation between customers FAMILY_STATUS and the likelihood of paying the loan.

3. Returning customers have chance to get higher credit.

4. The customer who applied for loan are those customers having low income (upto 5 lakhs)

5. Most of the customer applied consumer and cash loan which share approx. equal number of approval and disapproval.

Thanks