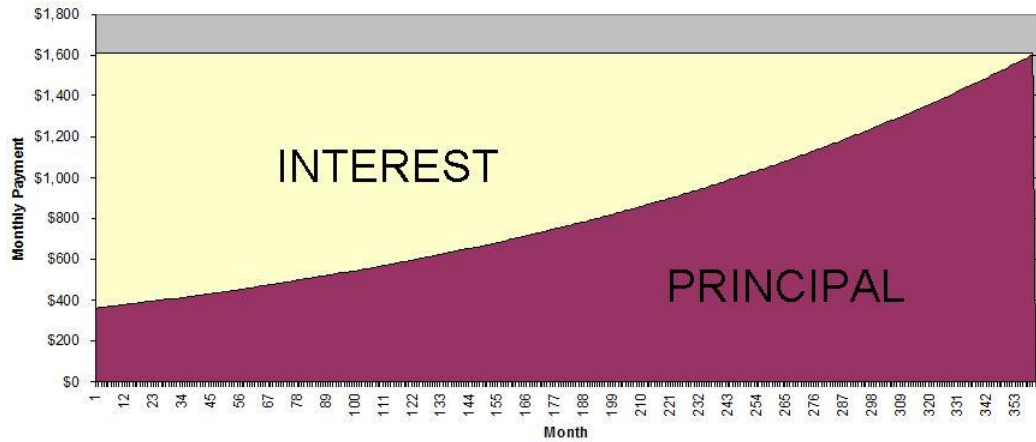




Data Analysis

Interest Vs Principal
\$300,000 Mortgage @ 5.0% w/ 30 Year Amortization

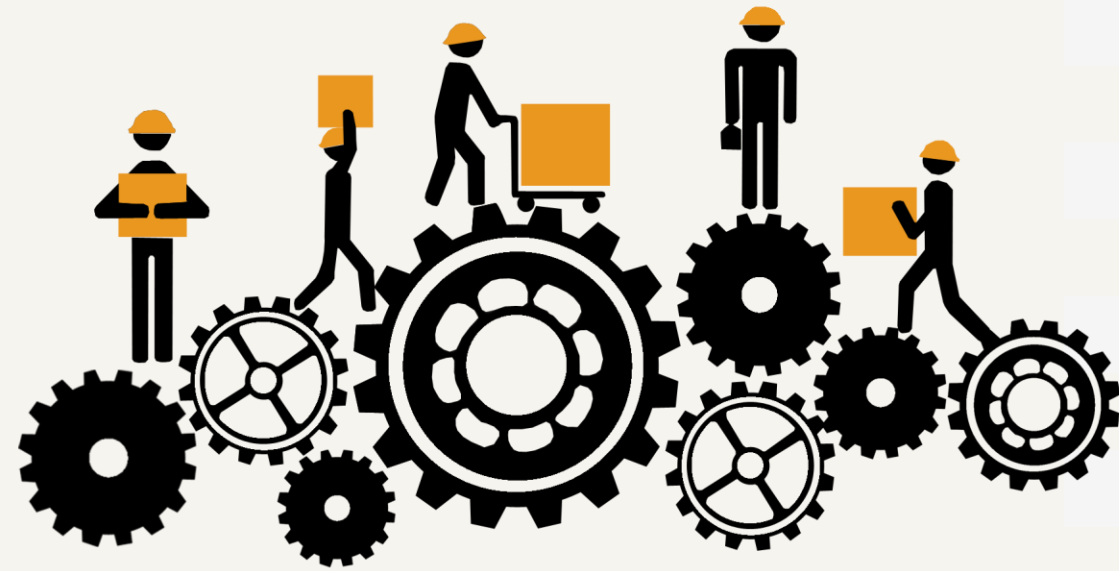


loan_status	Charged Off	Current	Fully Paid
term			
36 months	3227	0	25869
60 months	2400	1140	7081

Tenure based repayment analysis:

Analysis: As you can see in the data here, term of loan repayment plays an important role in actual payment. For the period of 36 months total percentage of people who defaulted are 12 percent whereas in case of 60 months its almost triple with 34 percent.

Reason: Longer duration of repayment is always difficult to maintain. Considering people who opt for longer duration are the one who are financially more vulnerable hence defaults are more in case of 60 months.



loan_status	Charged Off	Current	Fully Paid
emp_length			
1 year	456	71	2713
10+ years	1331	391	7157
2 years	567	97	3724
3 years	555	83	3457
4 years	462	94	2880
5 years	458	88	2736
6 years	307	61	1861
7 years	263	62	1448
8 years	203	44	1232
9 years	158	32	1068
< 1 year	639	75	3869

Experience level based analysis:

***Analysis:** Higher the number of experience, more are the defaulter cases.*

***Reason:** This can be due to, with increasing age though as experience increases, same way responsibilities also increases. Multiple loans may results in being defaulter.*



loan_status	Charged Off	Current	Fully Paid
home_ownership			
MORTGAGE	2327	638	14694
NONE	0	0	3
OTHER	18	0	80
OWN	443	83	2532
RENT	2839	419	15641

Home ownership status:

Home ownership status plays no role in determination of whether person can be defaulter. So this criteria cannot be used to determine the approval or rejection of loan. Rather people who already own home, should be preferred as they are financially more sound and will be less likely to be defaulter.

DEBT

MORTGAGE

STUDENT

COLLECTION

GOVERNMENT

CRISIS

ECONOMIC

LOAN

CRASH

RISK

BALANCED

DEFAULT

URGENT

COLLECTORS

DEFINITION

AUTOMOBILE

BANKRUPTCY

MARKET

INVESTMENT

VARIABLE-RATE

FINANCIAL

BANK

REPAYMENT

CREDIT CARD

OVERDUE

LIABILITY

TAXES

MONEY

INTEREST

FIXED-RATE

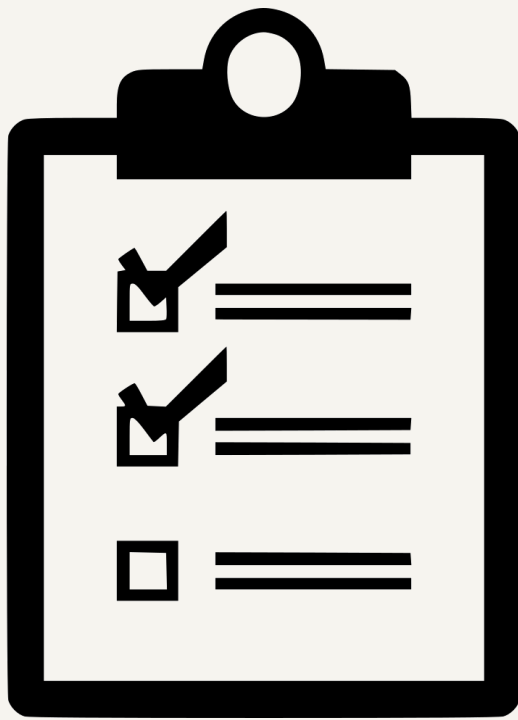
BUDGET

MEDICAL

S	loan_status		Charged Off	Current	Fully Paid
	purpose				
	car	160	50	1339	
	credit_card	542	103	4485	
	debt_consolidation	2767	586	15288	
	educational	56	0	269	
	home_improvement	347	101	2528	
	house	59	14	308	
	major_purchase	222	37	1928	
	medical	106	12	575	
	moving	92	7	484	
	other	633	128	3232	
	renewable_energy	19	1	83	
	small_business	475	74	1279	
	vacation	53	6	322	
	wedding	96	21	830	



As you can see purpose of small business heads the category of loan defaulters. This is followed by loans taken for debt consolidation.



verification_status	Not Verified	Source Verified	Verified
loan_status			
Charged Off	2142	1434	2051
Current	227	310	603
Fully Paid	14552	8243	10155

Applications who are verified have more charged offs and lesser fully paid compare to applications who are not verified.



Employer Based Loan Payment

New special schemes for loan can be introduced for US army, Bank of America and IBM considering highest number of people repaid loan from these companies.

Apart from these companies Accenture, Best Buy and Comcast are also among other employees whose employees repaid loans on time.

