

Lending Club Case Study

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Objective

- identify risky loan applicants
- **driving factors (or driver variables)** behind loan default, i.e. the variables which are strong indicators of default

Data Exploration

- Grades are strong predictors of default
- Highly skewed distribution
- Statistical trading model

- Step 1: Data Cleaning 1
- Step 2: Univariate Analysis
- Step 3: Segmented Univariate Analysis
- Step 4: Bivariate/Multivariate Analysis
- Step 5: Results