

LENDING CLUB CASE STUDY

By

AHAMED ASLAM AHAMED BATCHA

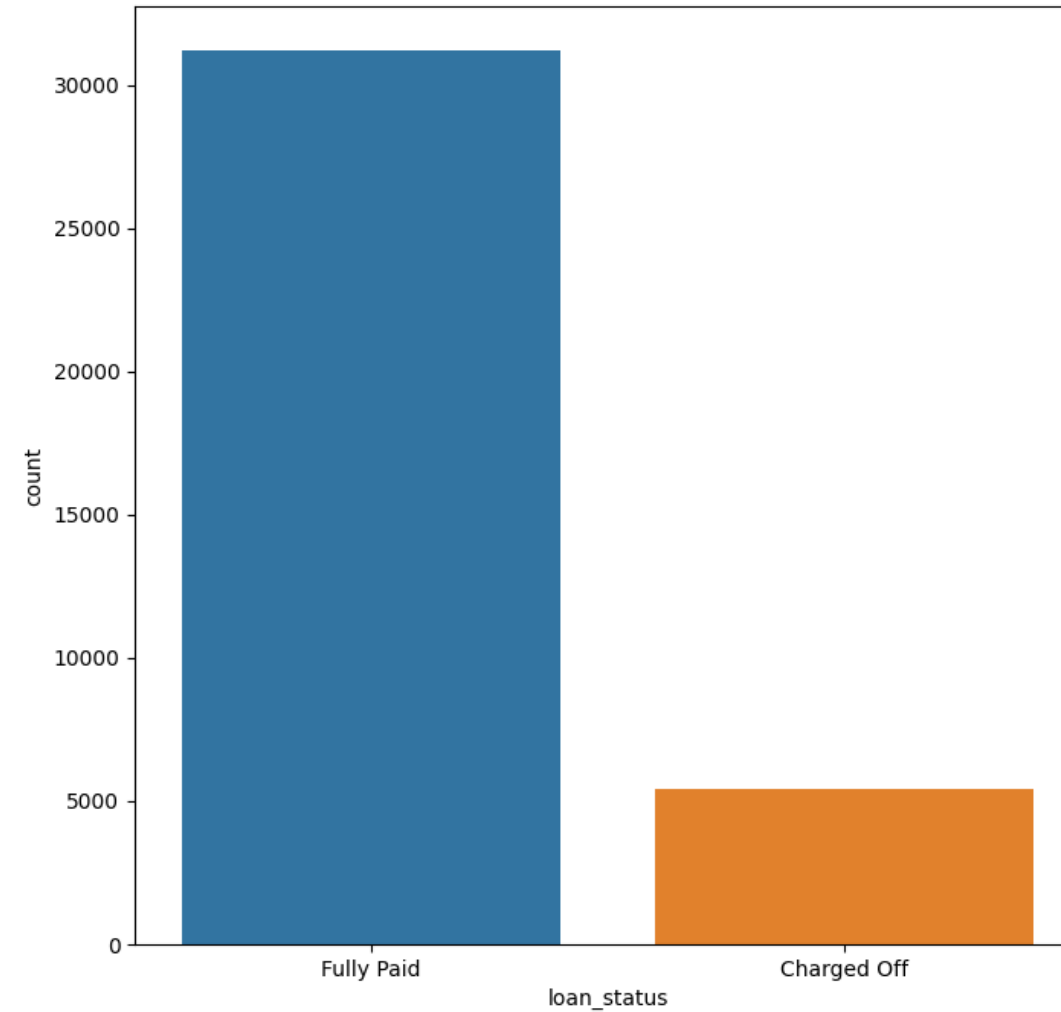
ahamedaslam.ab@gmail.com

Case Study Objectives

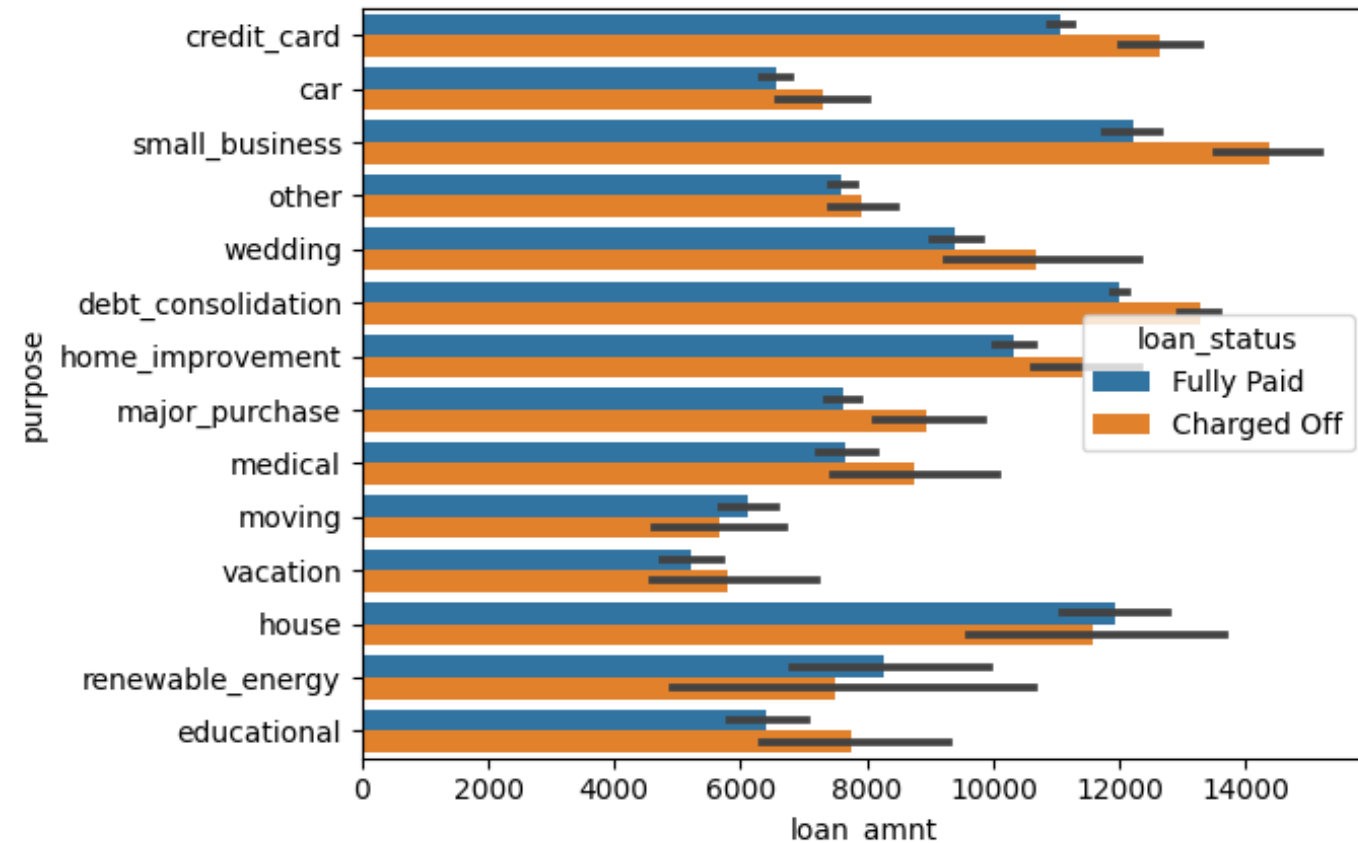
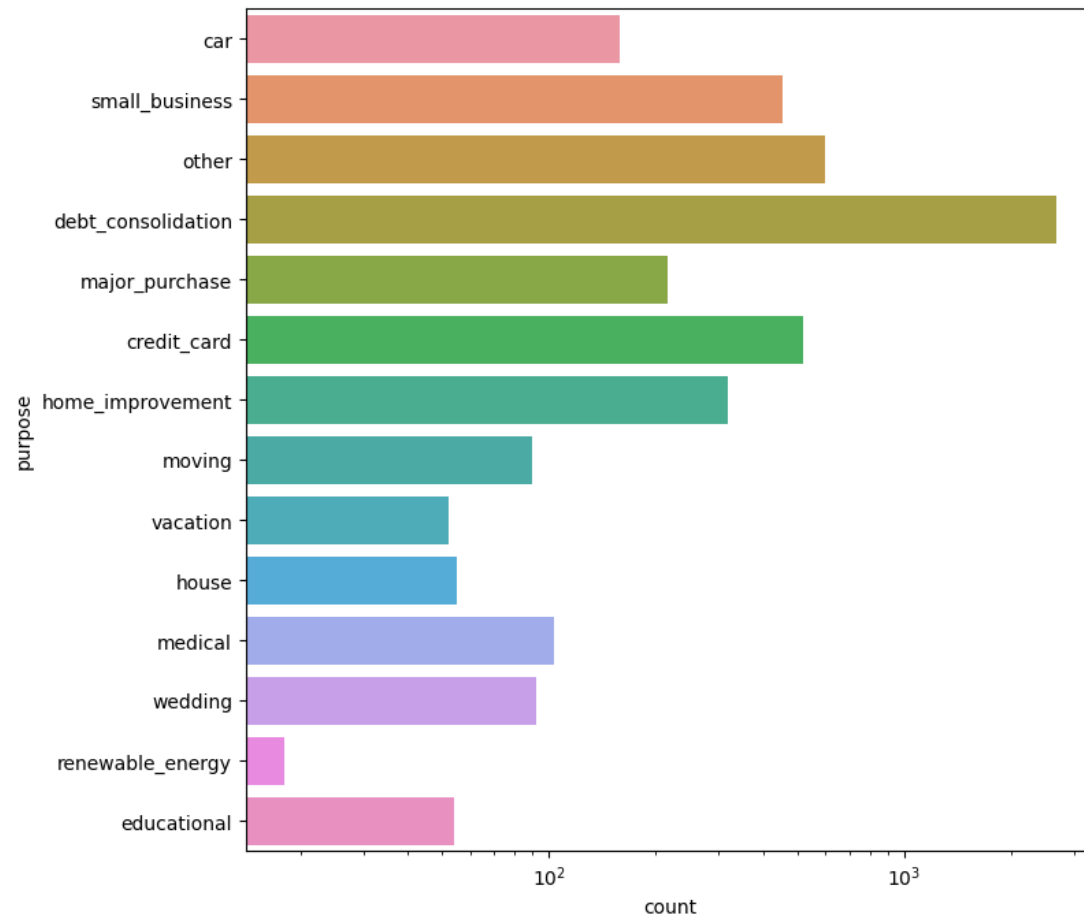
- Identification of Loan Applicant traits that tend to default
- Driving factors and Driving variables behind default.
- Portfolio and risk assessment of new loan applicants

Loan Status Analysis

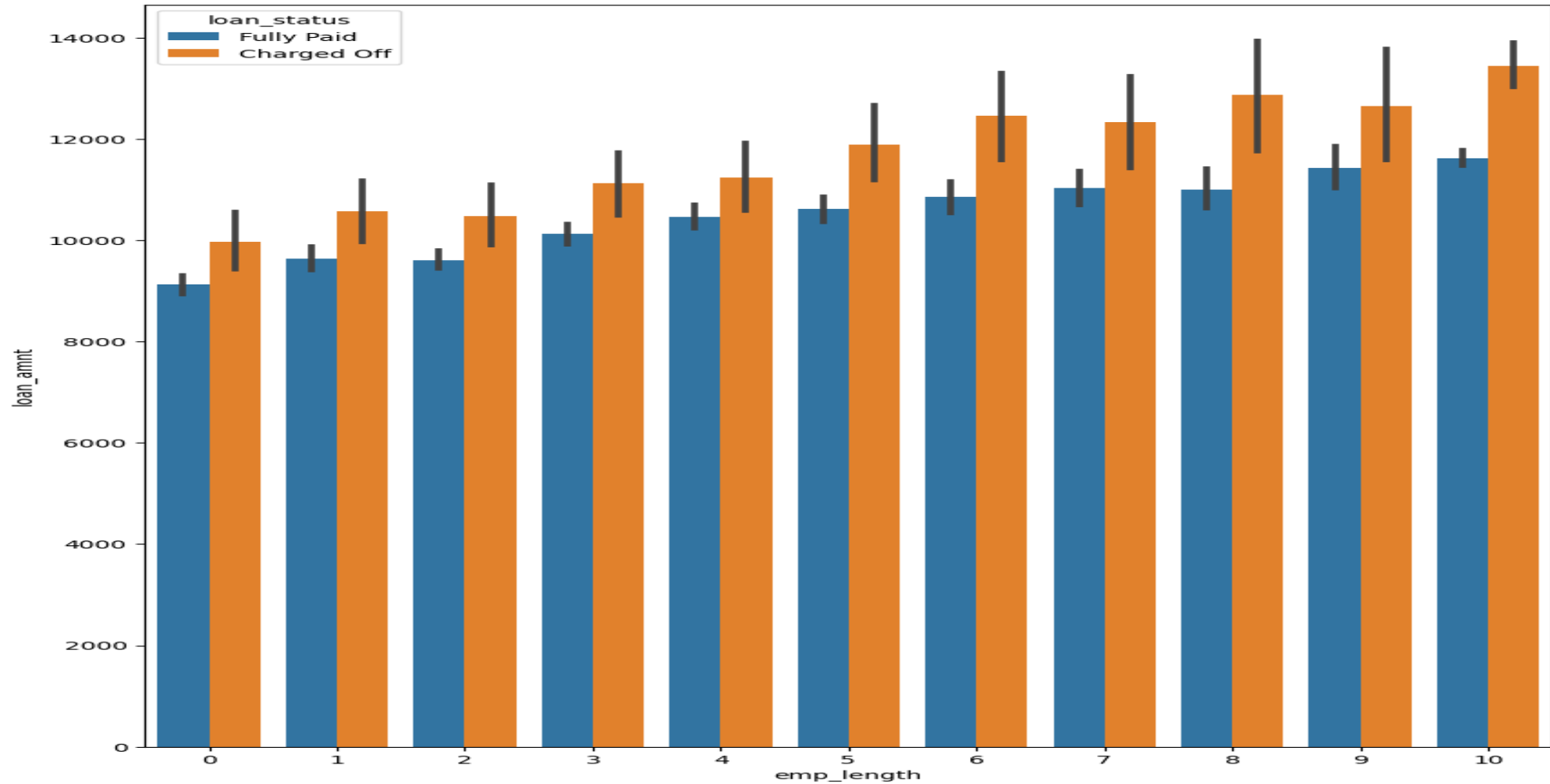
- Most of the loans are fully paid
- Only about 14% loans are defaulted



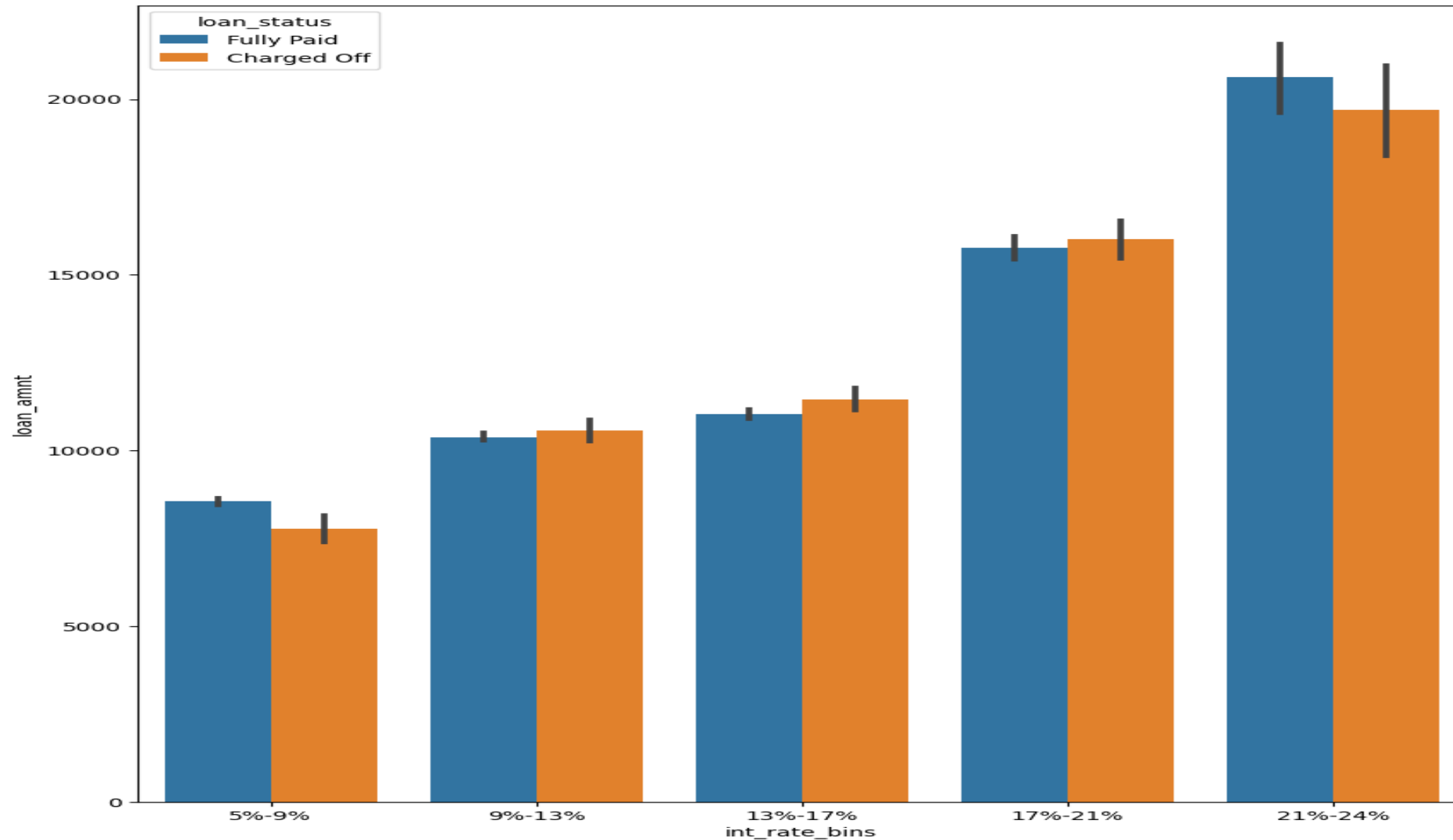
- Debt consolidation is a major purpose when comes to default individually and against loan amount



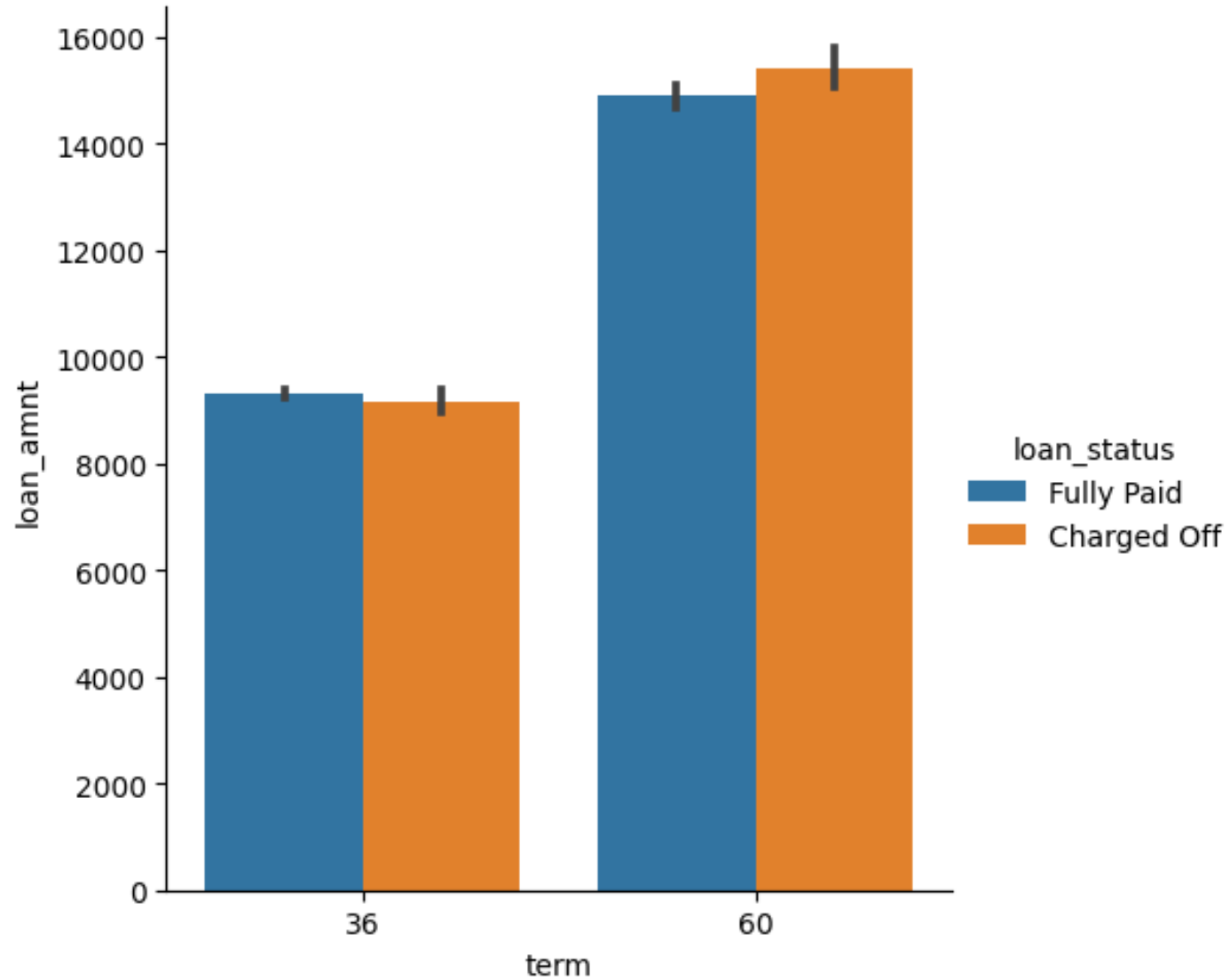
- Higher loan amount sanctioned for employees with higher employment length, that results in higher defaults



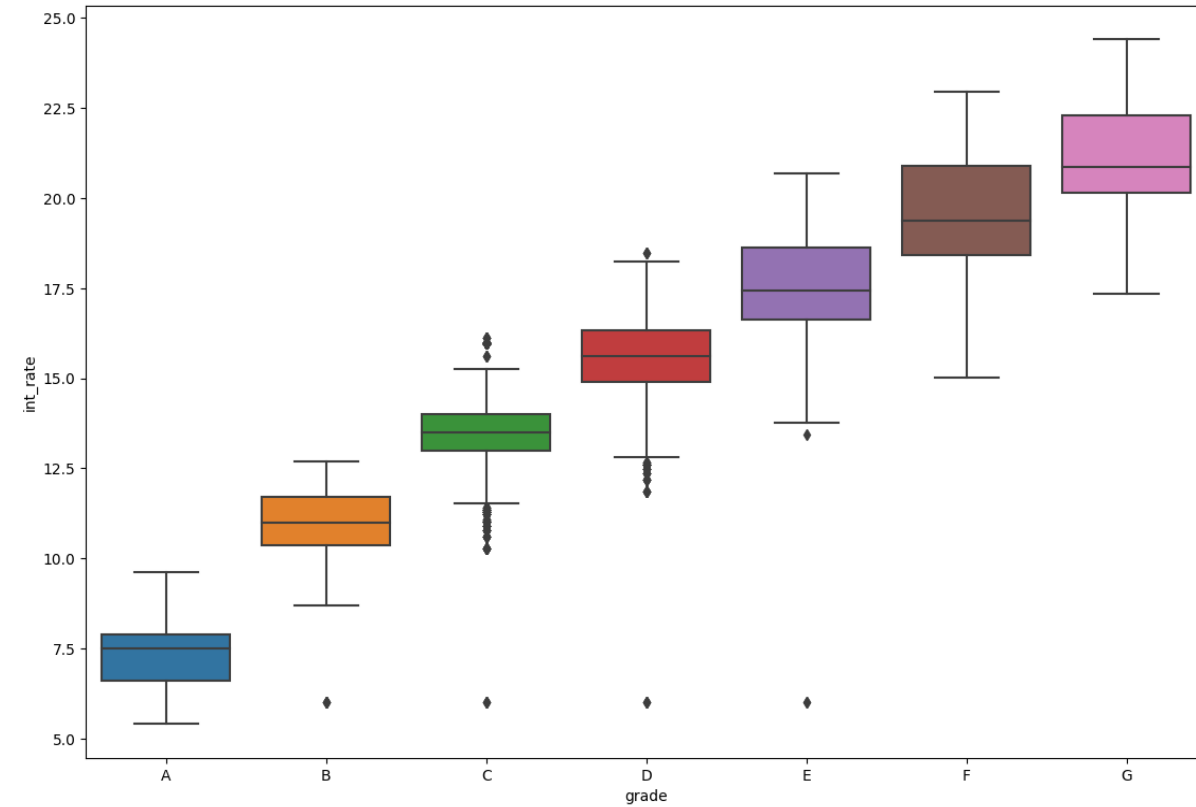
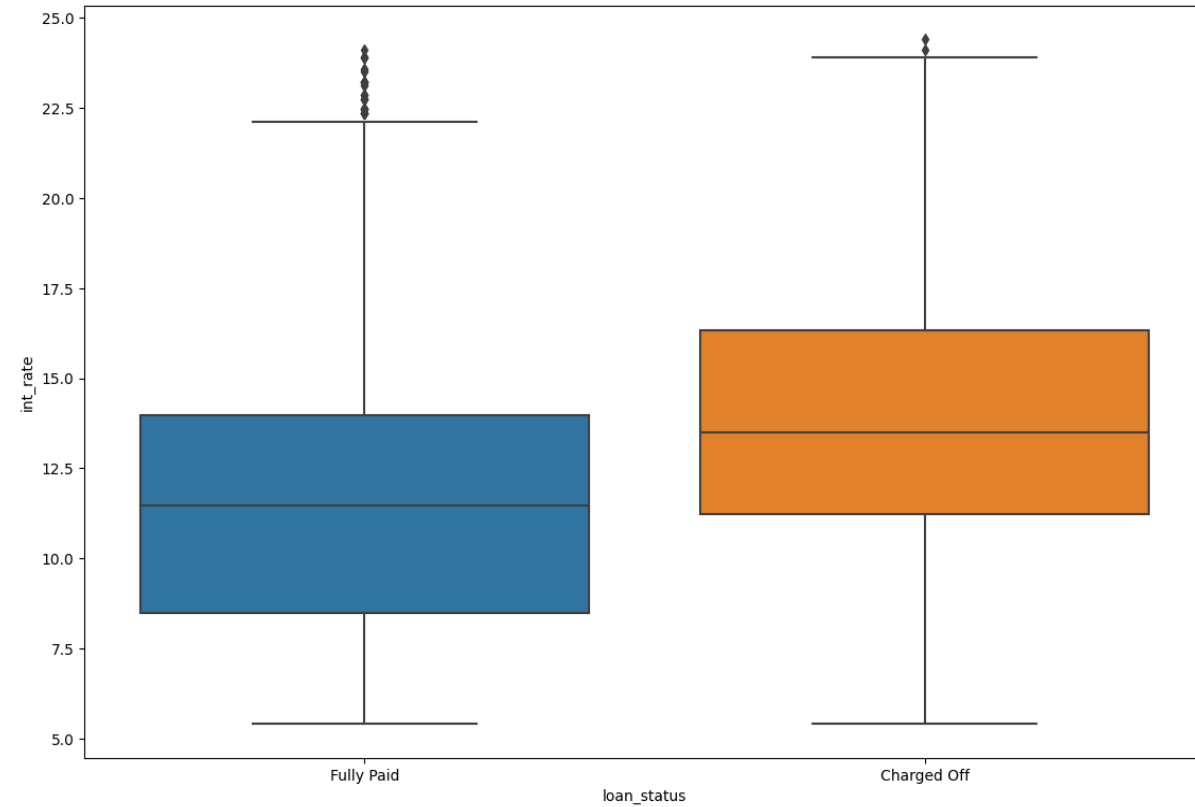
- Higher interest rate and higher loan amount also results in higher defaults



- Higher term with higher loan also results in higher defaults



- Lower graded loans are given higher interest rates and that results in higher default



Following are the conclusions from this analysis

- Purpose debt consolidation has higher chance of default followed by small business
- Employee with higher employment length gets higher loan amount, that results in higher defaults
- Higher loan amount and interest rate results in higher defaults
- Higher loan amount and term results in higher defaults.
- Lower graded loans has higher interest rates, with higher interest rate has higher chance of defaults.