



Lending Club Case Study

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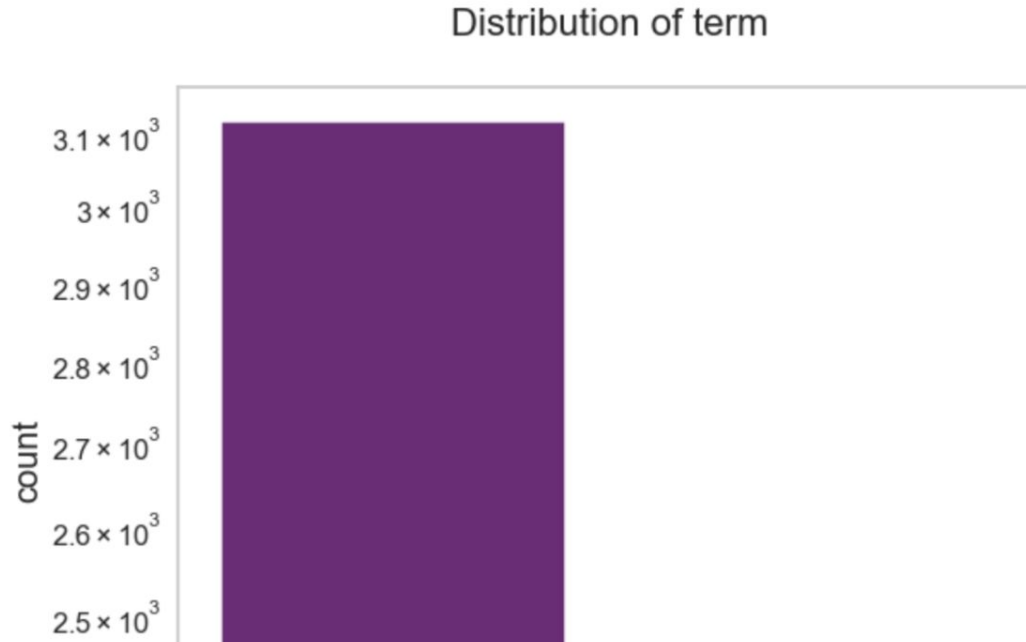
Requirement

Lending club is the bank which provides the loan to the customers. Lending loans to the risky application can lead to the loss to the company. Credit loss is the amount of money lost of the lender when the borrower refuses to pay or runs with the money they owned

We have to identify the risky loan applicants, then such loans can be reduced by cutting the amount of loss to the lenders.

Univariant categorical analysis for terms

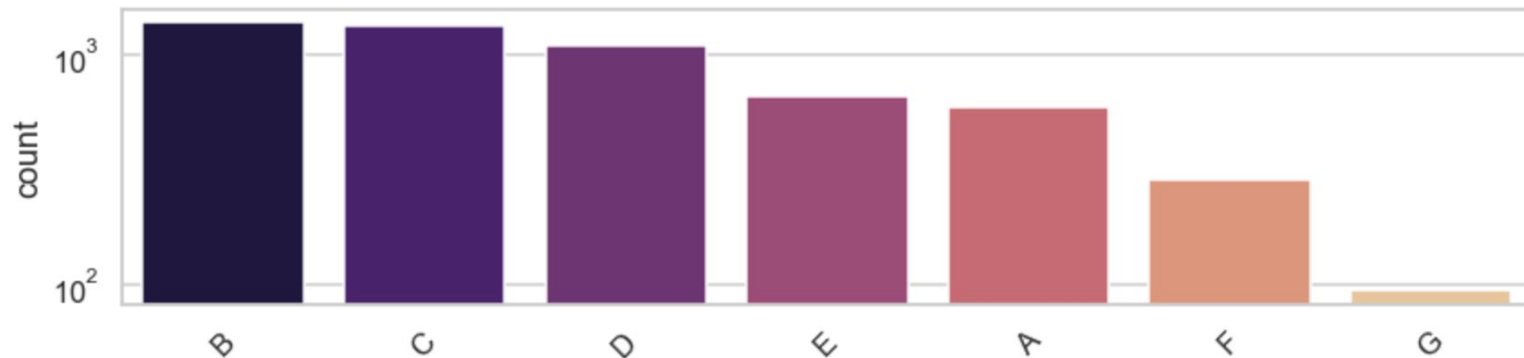
Those who taken the loan for short term tend to default more



Univariate categorical analysis for grade

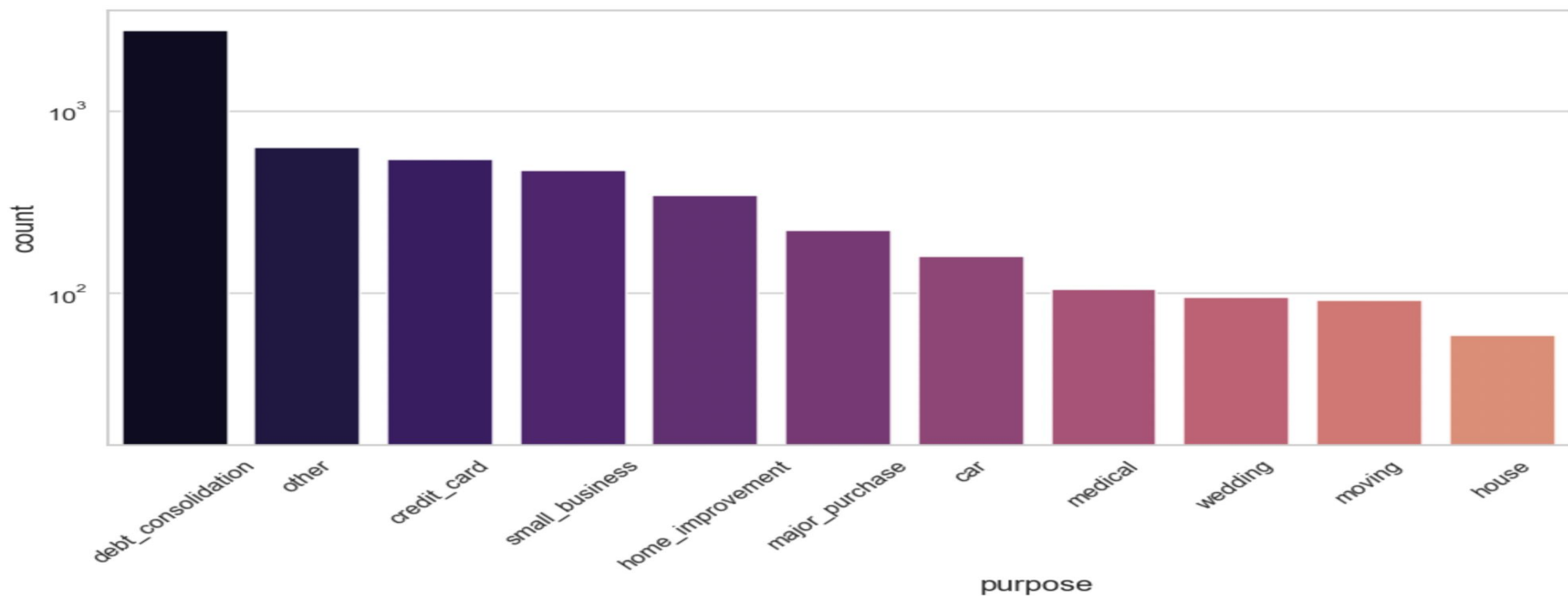
Those belong to grade B take defaults more

Distribution of Grade



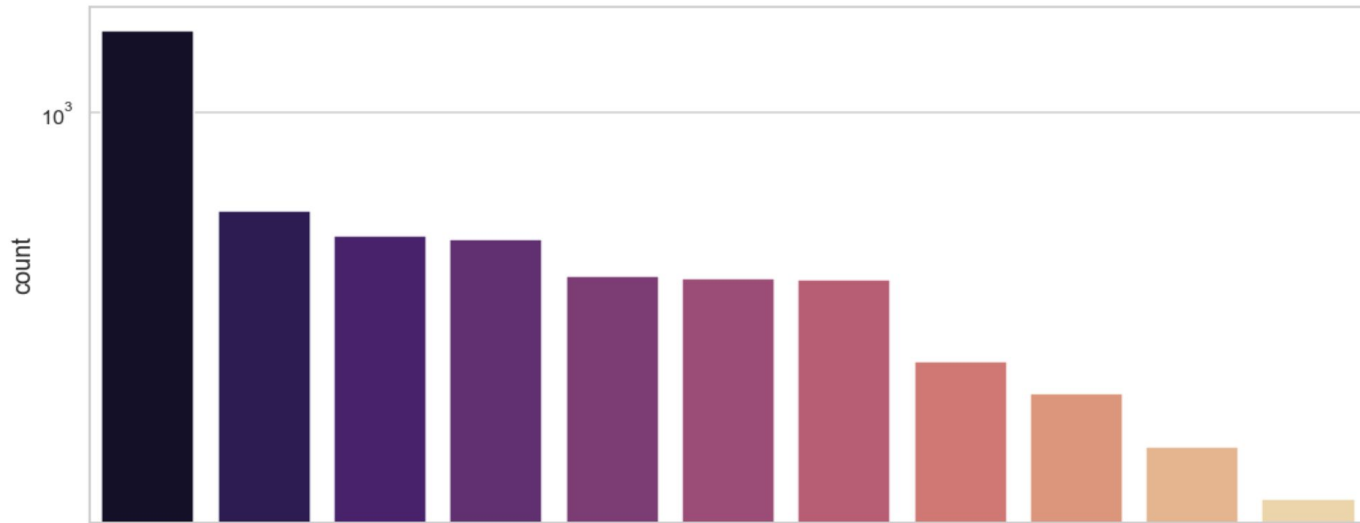
Univariant categorical analysis for purpose

Those who take loan for debt consolidation tend to default more



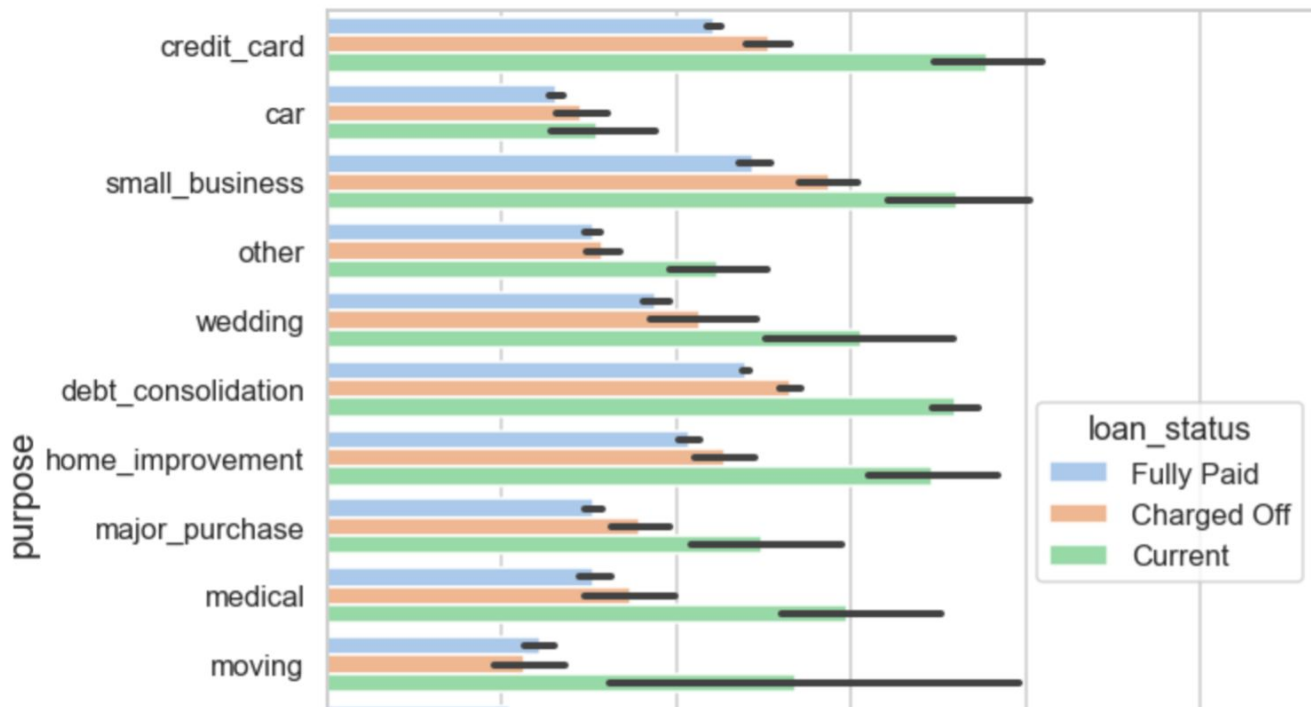
Univariant categorical analysis for employee length

People who has employee length 10 + more tend to default more



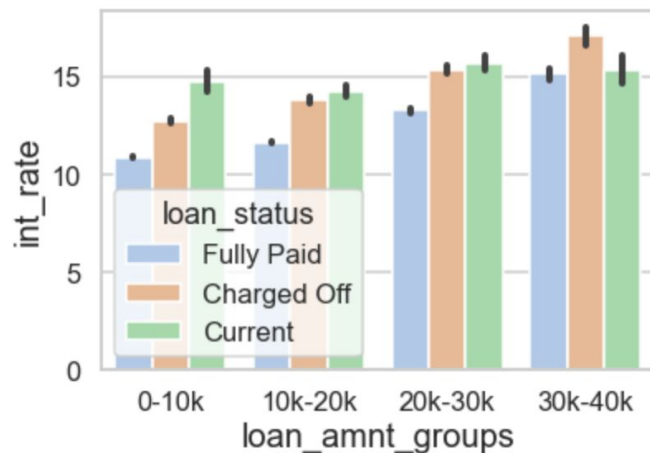
Bivariant analysis between purpose and loan amount

People with small business and amount greater than 10000 tend to default more



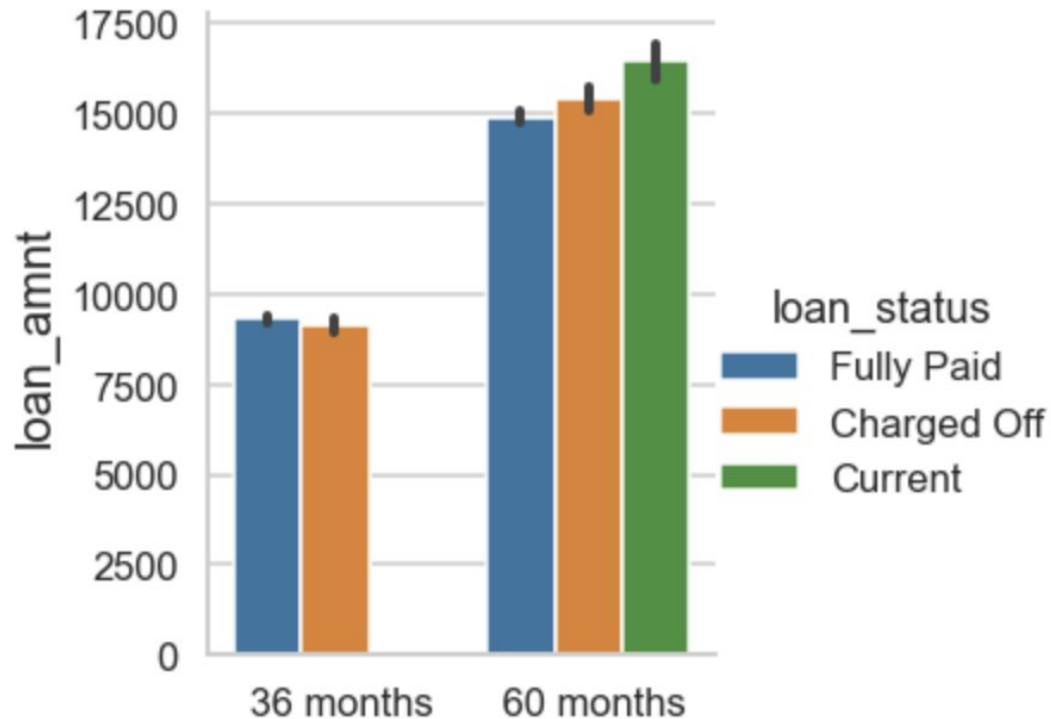
Bivariant analysis between interest rate and loan amount

People who receive interest at the rate of more than 15% and have an income of 30k-40k



Bivariant analysis between loan amount and status

People with loan amount greater than 10000 and having term more than 60 months tend to default more





Conclusion

1. Those who taken the loan for short term tend to default more
2. Those belong to grade B take defaults more
3. Those who take loan for debt consolidation tend to default more
4. People with income range of 30k-60k tend to default more
5. Those who have employe length greater than 10+ , default more
6. For the interest range between 10 to 15 tend to default more
7. People whose home ownership is 'MORTGAGE' and have income of 60-70k, default more
8. People with loan amount greater than 10000 and having term more than 60 months tend to default more
9. People who receive interest at the rate of more than 15% and have an income of 30k-40k
10. People with small business and amount greater than 10000 tend to default more