

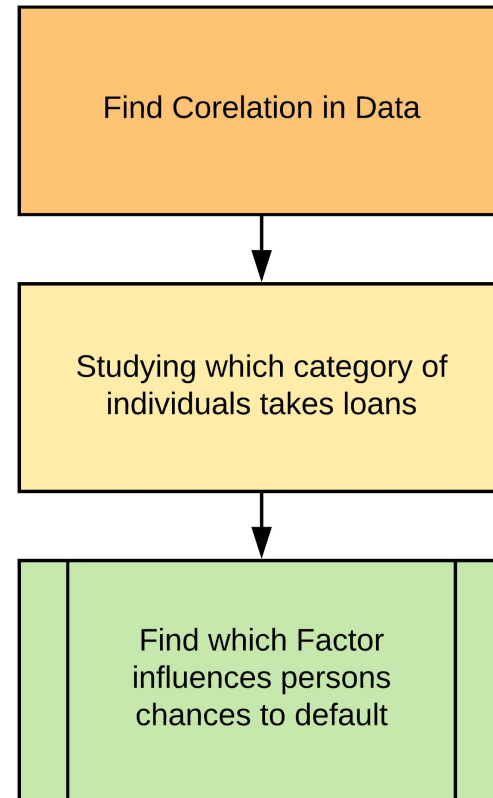
Lending Club EDA study

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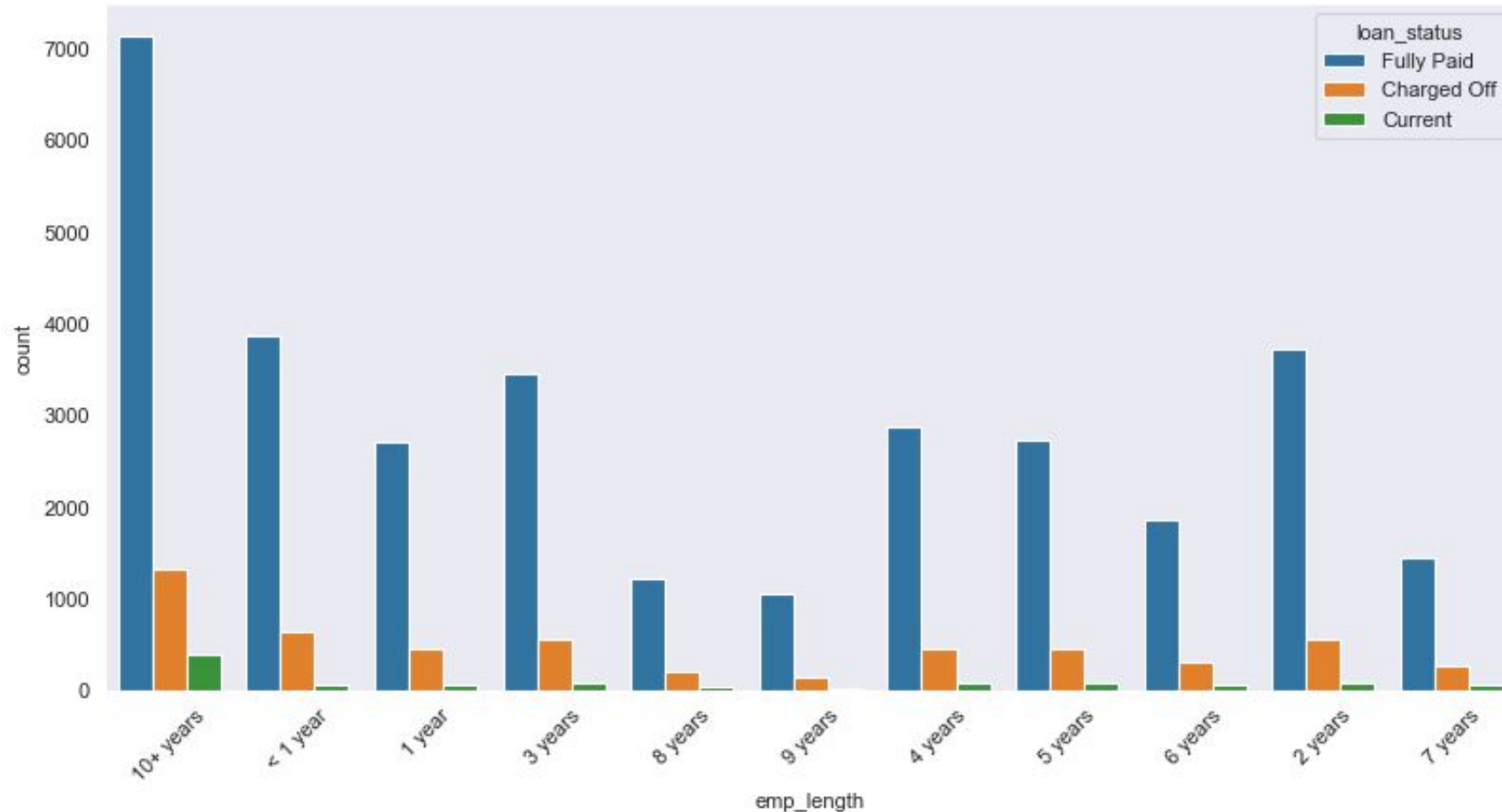
Identifying Driving Factors Behind Loan Default

A Detail Analysis of factors that increases the chances of a person defaulting a loan. We can use this data to predict if a loan application should be accepted or rejected which can save investors from a potential loss.

Steps for our Analysis

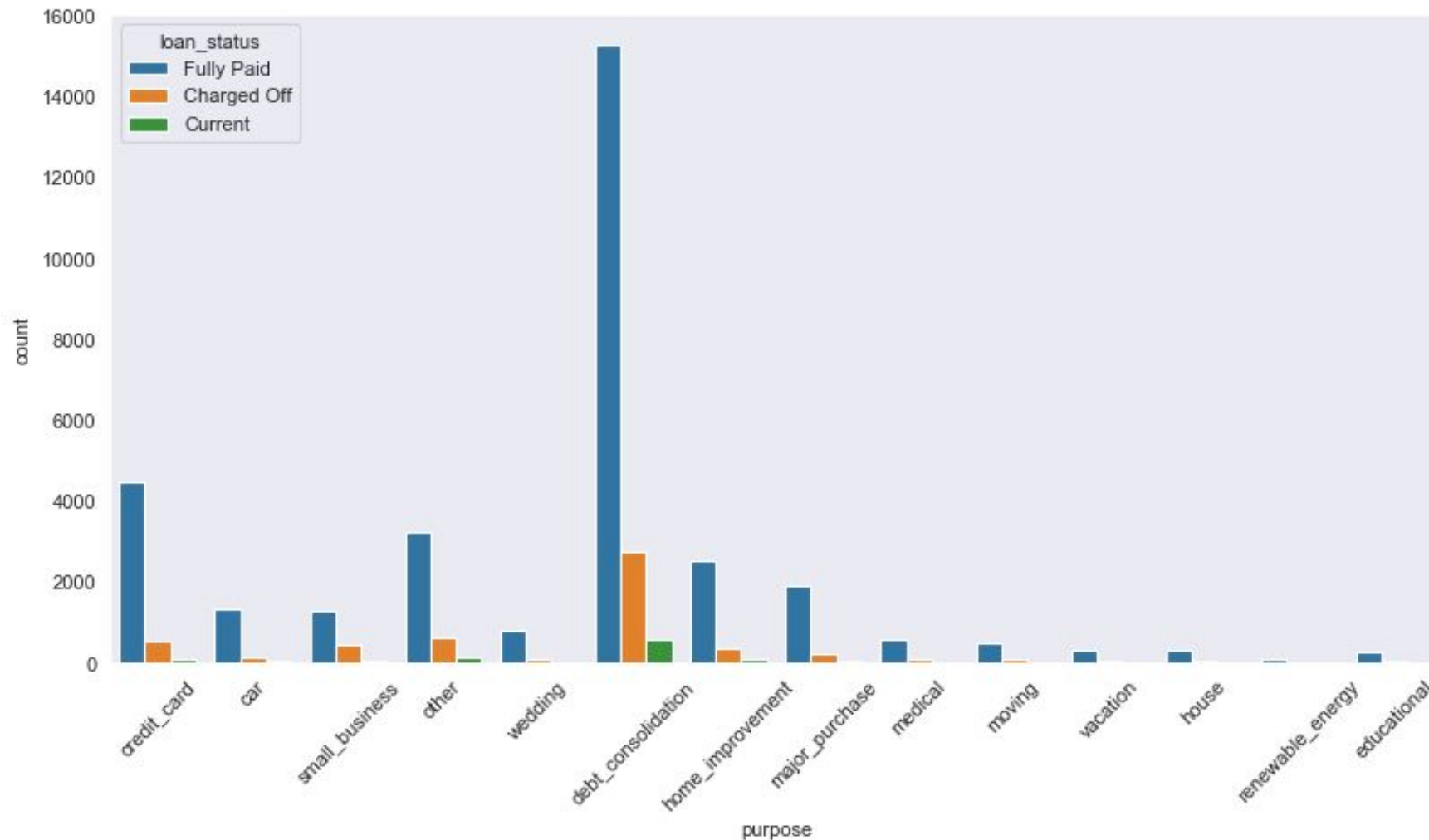


Studying which category of individuals takes more loans

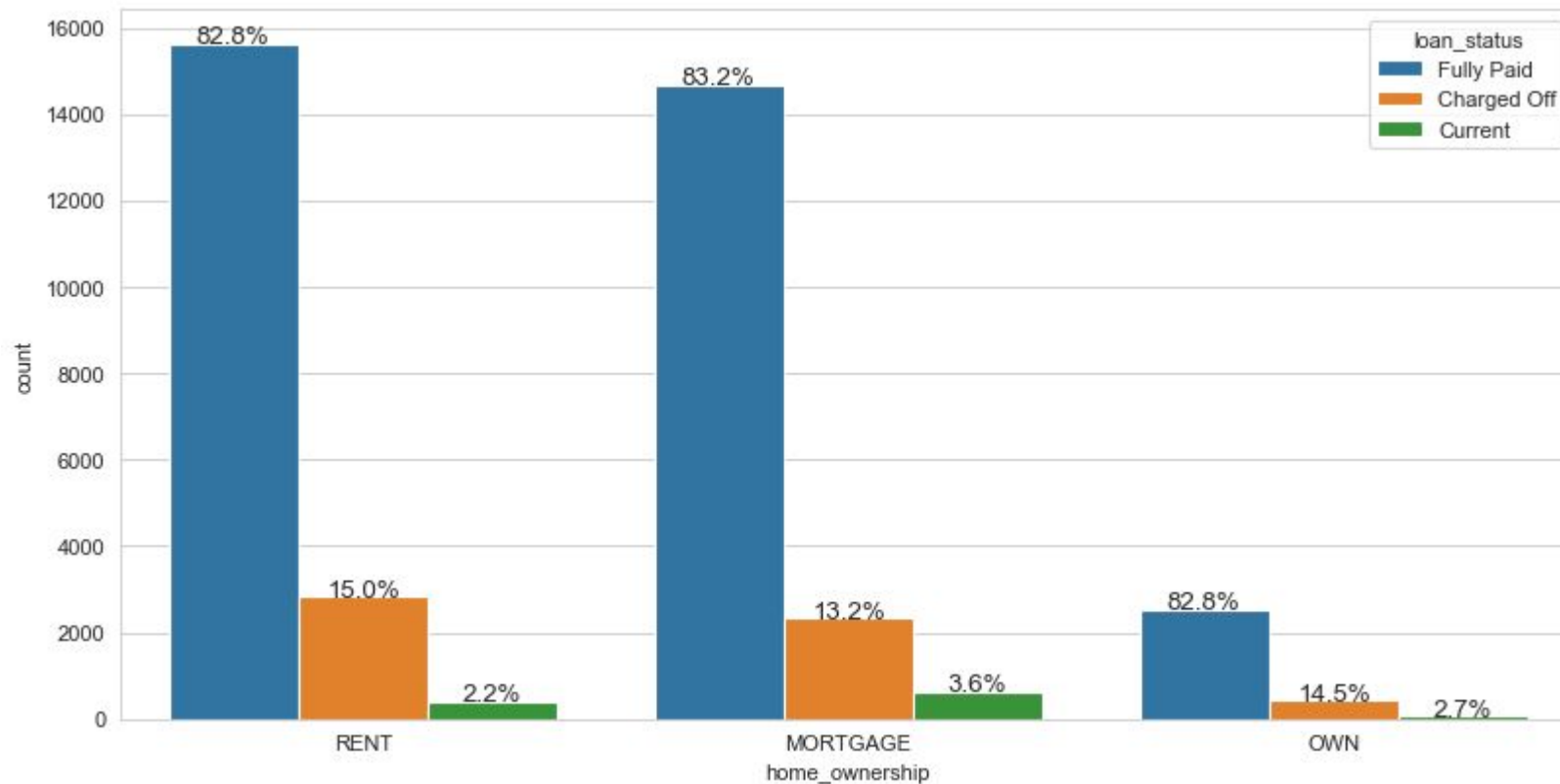


People with more than 10+ experience range take more number of loan

Studying what is major purpose of taking loans

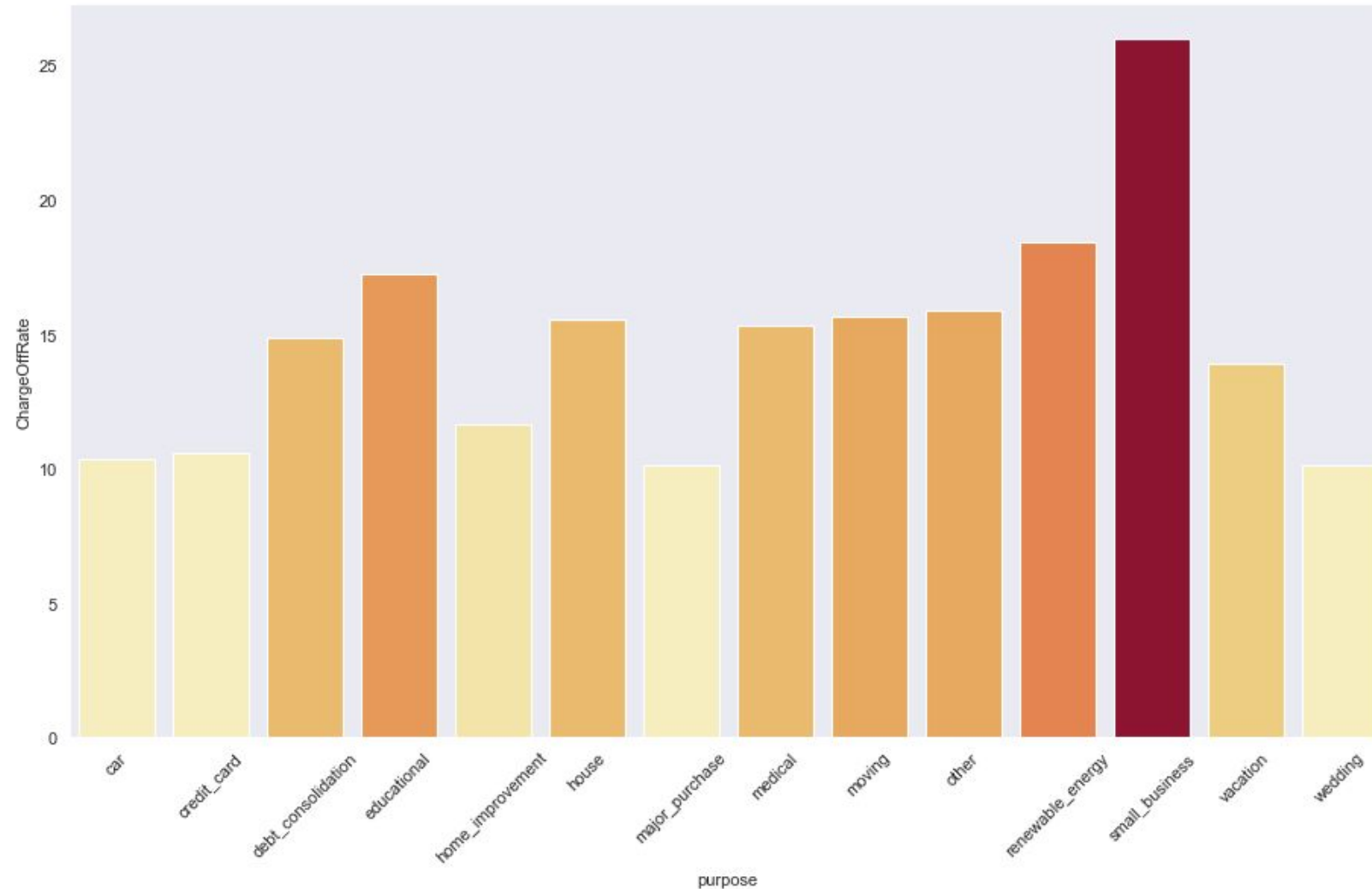


- ❖ Among all the loans, more loans are taken with the purpose of loan consolidation
- ❖ This means more people are taking loans to clear existing loan.

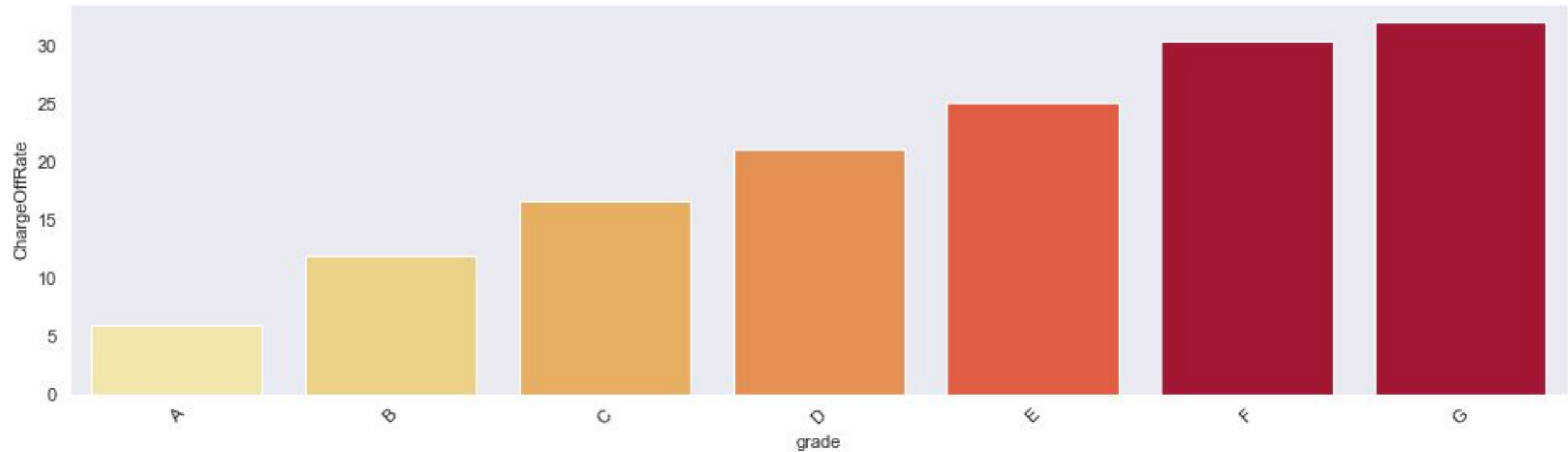


- ❖ A majority of individuals taking a loan either reside in a house on Rent or Mortgage.

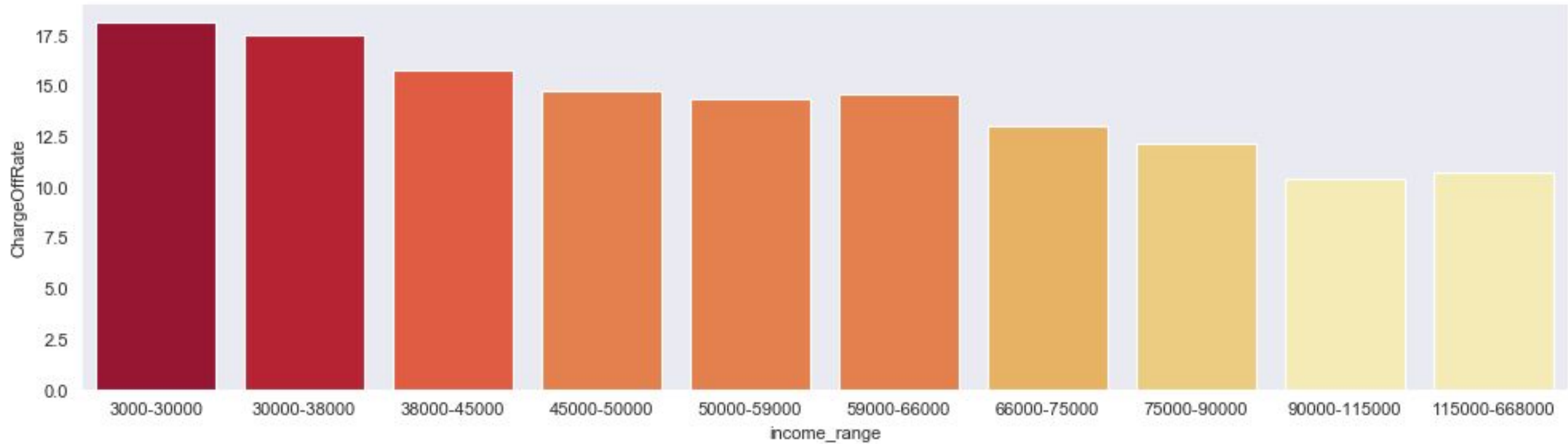
Probability of Default with respect to Purpose of Loan



Probability of Default with respect to Grade of loan



Probability of Default with respect to Annual Income



Conclusion

Based on our analysis below factors should be considered while processing a loan application

1. Purpose of loan
2. Grade of loan
3. Income Range
4. DTI