

Lending Club – Case Study

By:

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Agenda

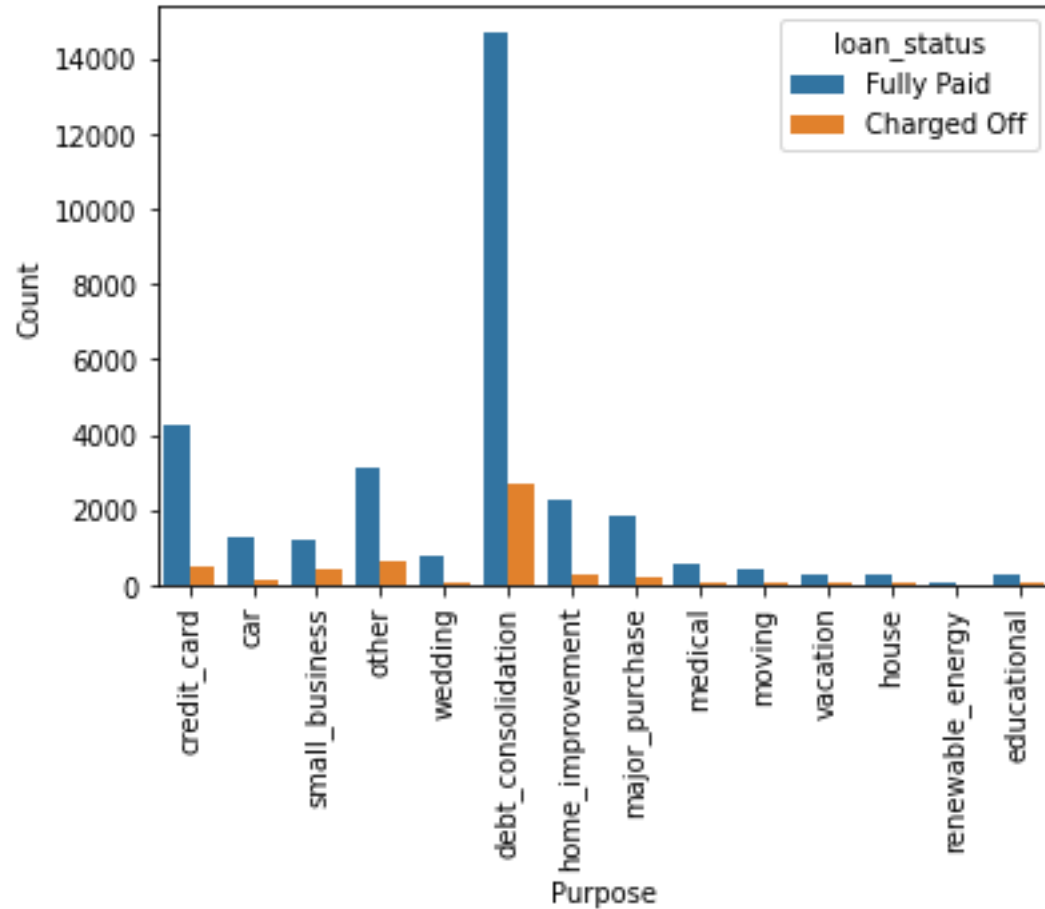
- Purpose
- Analysis/Observations
 - Univariate
 - Bi-Variate
 - Multi-Variate
- Driving factors - Defaulter

Purpose

Lending club have shared the attached customer data & requested for identification of defaulters behavior & driving factors behind loan default.

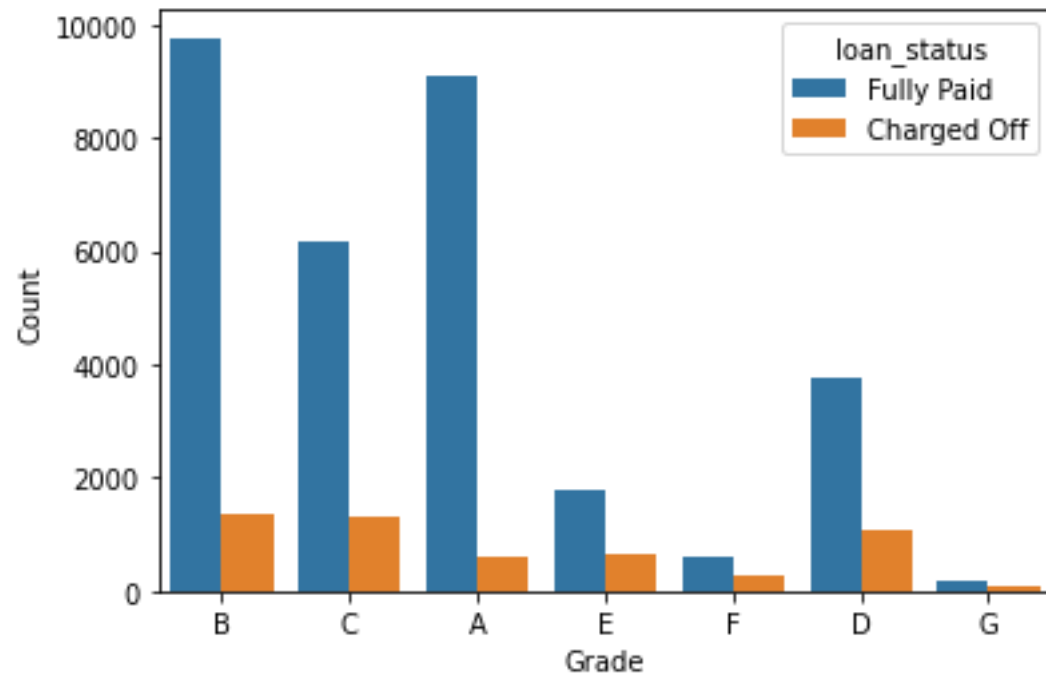


Analysis/Observation



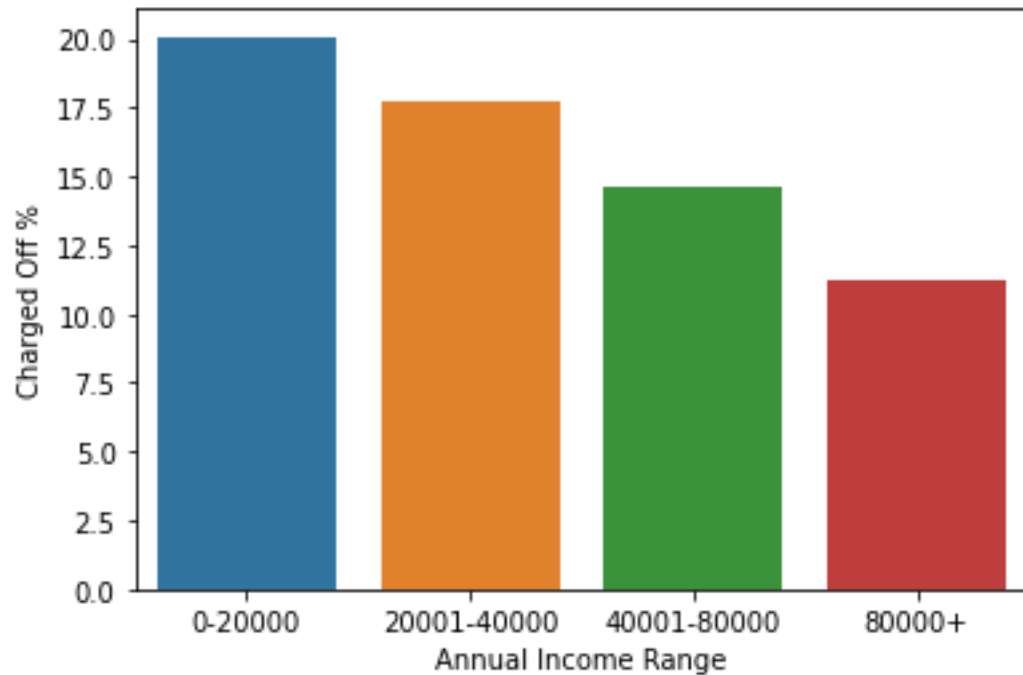
Max loans were Charged off for loans of purpose debt_consolidation

Analysis/Observation



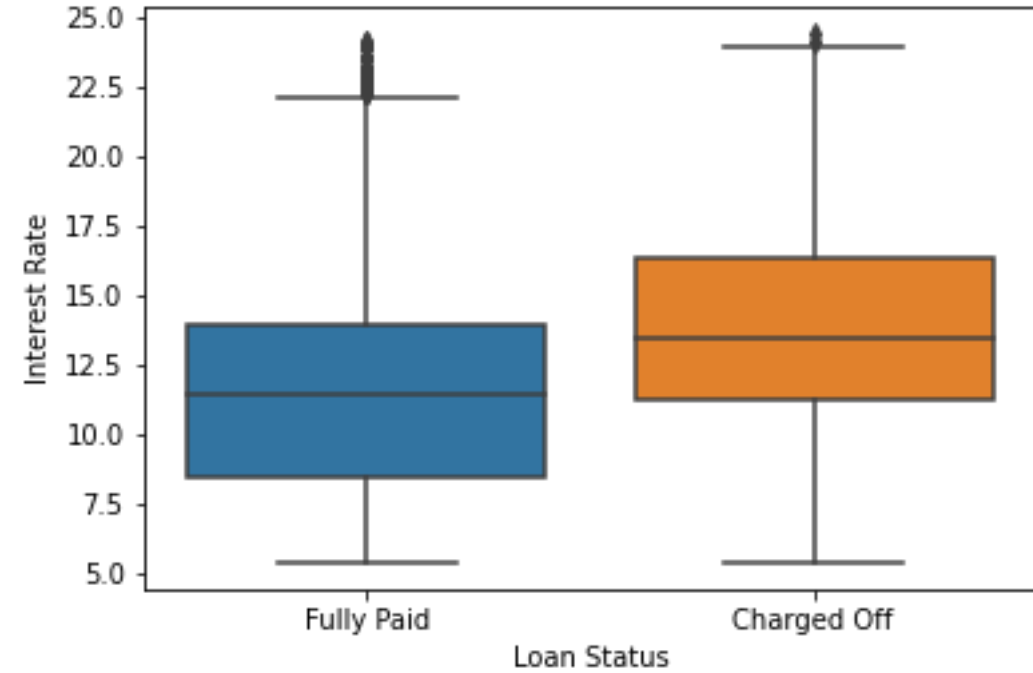
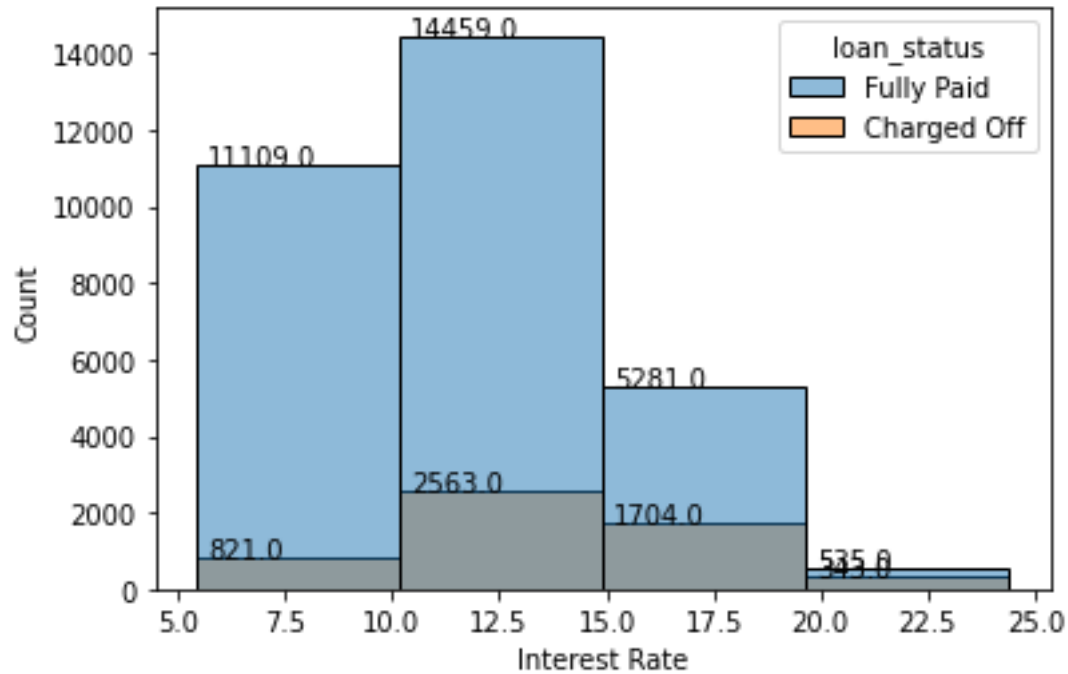
Employees with Grade's E,F,G has Higher Charged Off ratio compared to A,B,C,D

Analysis/Observation



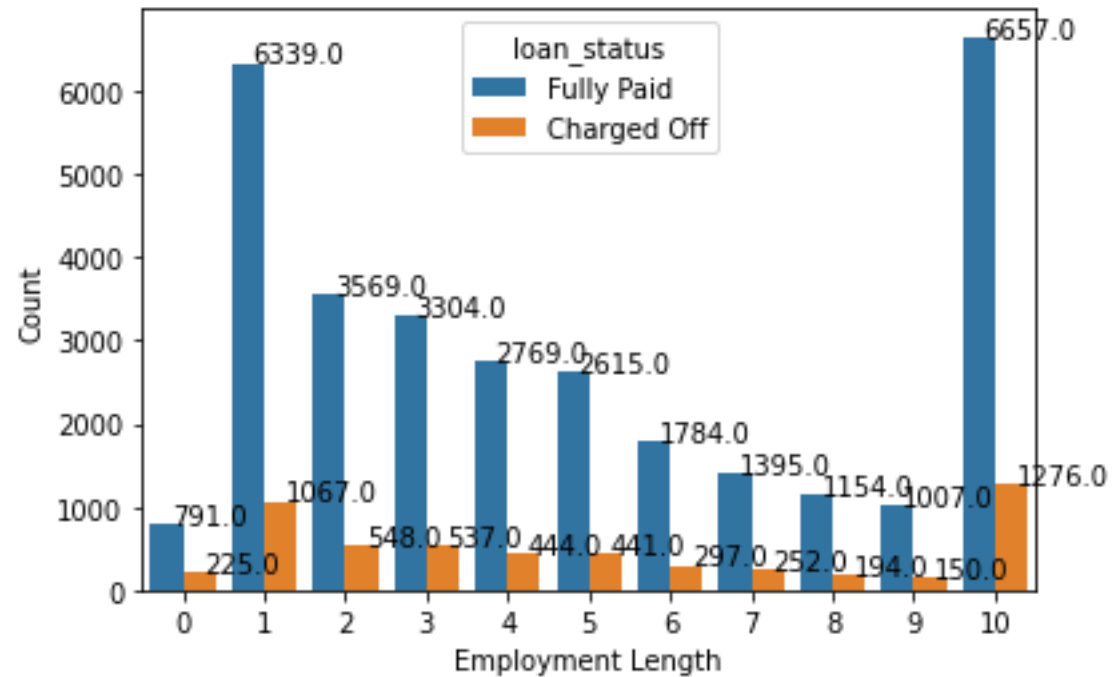
The income range of 0-20000 has more Charged Off Loans

Analysis/Observation



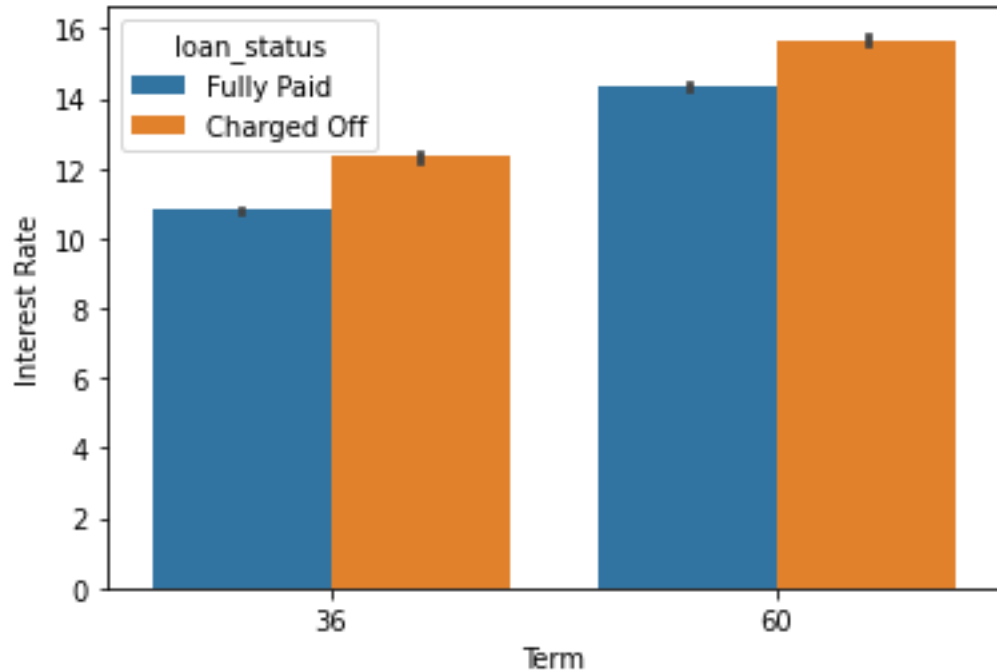
With increase in interest rate the Risk of Charged Off Data is more

Analysis/Observation



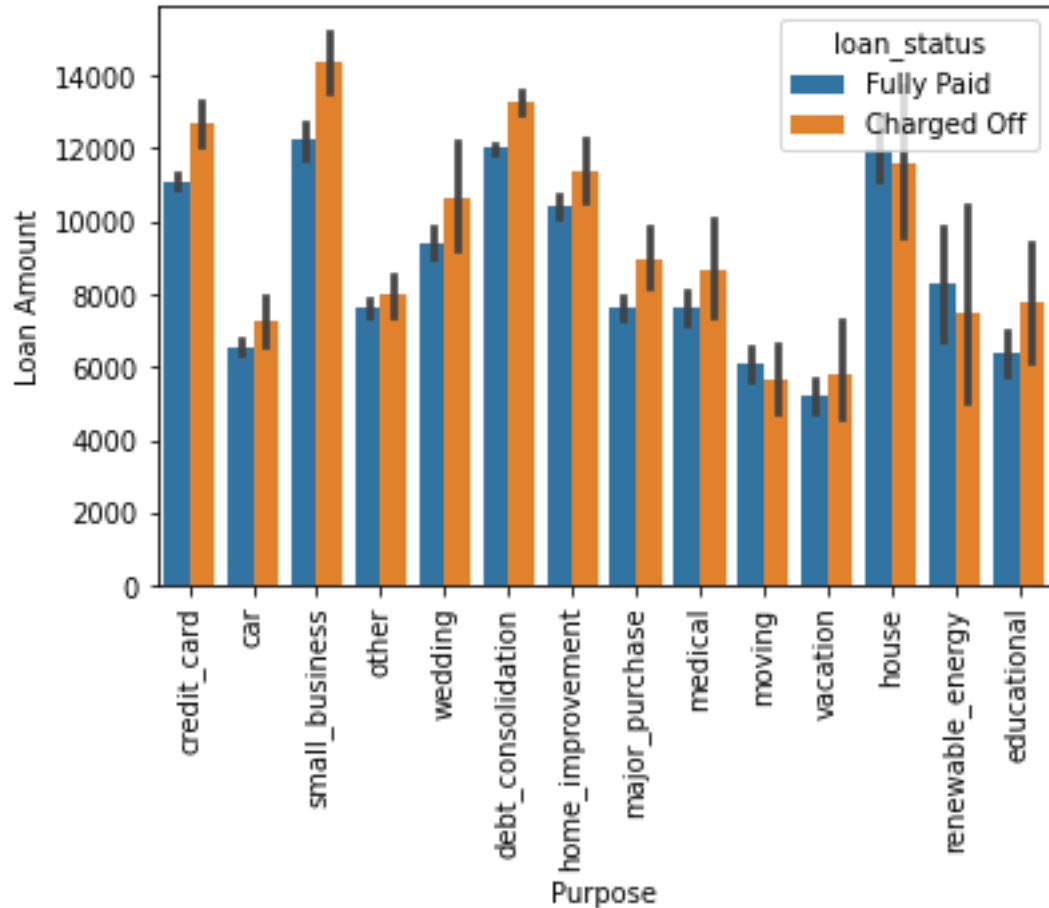
Employees with experience between 0-1 tend to charge off their loans

Analysis/Observation



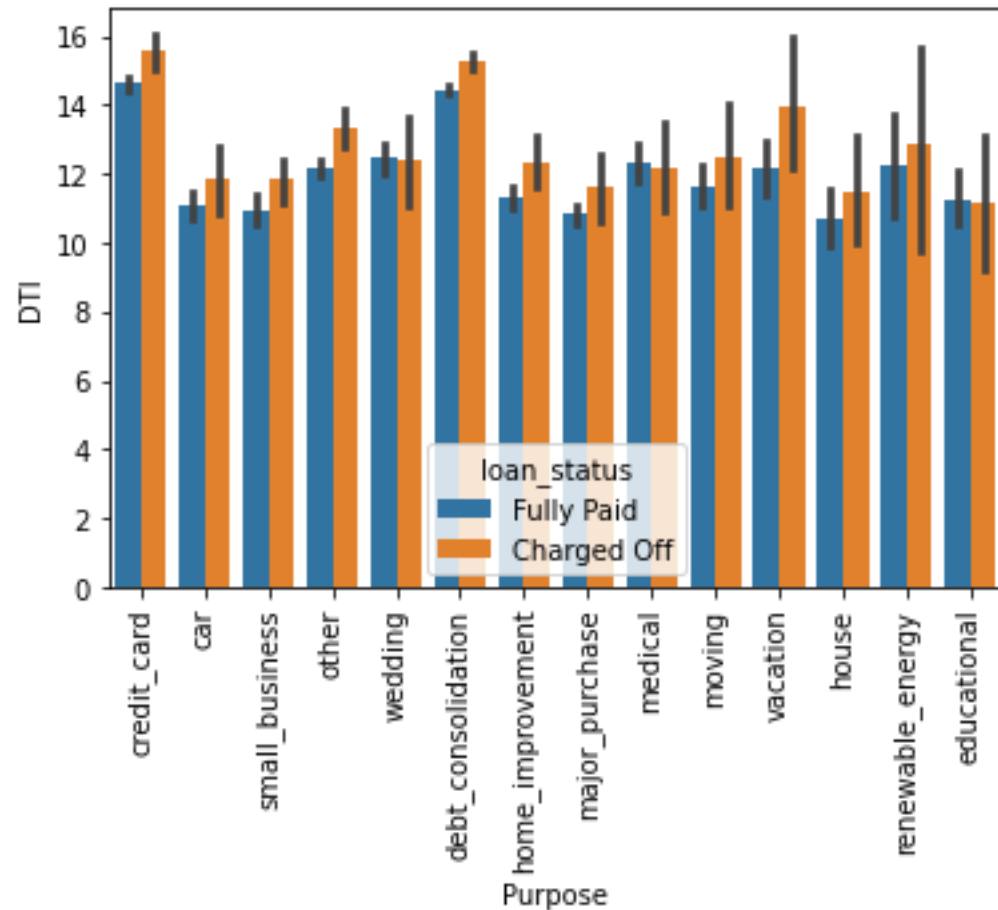
Higher Terms have more interest Rate and hence the chances for charge off are also high

Analysis/Observation



People with small businesses have taken higher loans and they have higher chances of being charged off

Analysis/Observation



- People who have higher DTI have risk of being charged off
- The loan Purpose credit_card and debt_consolidation can be seen to have higher DTI

Driving factors - Defaulter

- Applicants going for loan to repay another loan.
- When applicants grade is E/F/G.
- When income is less than 20000.
- Applicants who receive high interest at the rate of 12-17%
- Applicants with employment length less than 1 year.
- When term is 60 months.
- Dti is above 12.
- Dti for Credit Card, Vacation & Debt consolidation purpose is high.
- Applicants who have taken a loan for small business and have income of 55k -65k.

Thank You

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