# Lending Club Case Study

Business Understanding

A consumer finance company specializes in lending various types of loans to urban customers. When the company receives a loan application, the company has to make a decision for loan approval based on the applicant's profile

Business Objectives

The aim is to identify patterns which indicate if a person is likely to default, which may be used for taking actions such as denying the loan, reducing the amount of loan, lending (to risky applicants) at a higher interest rate, etc
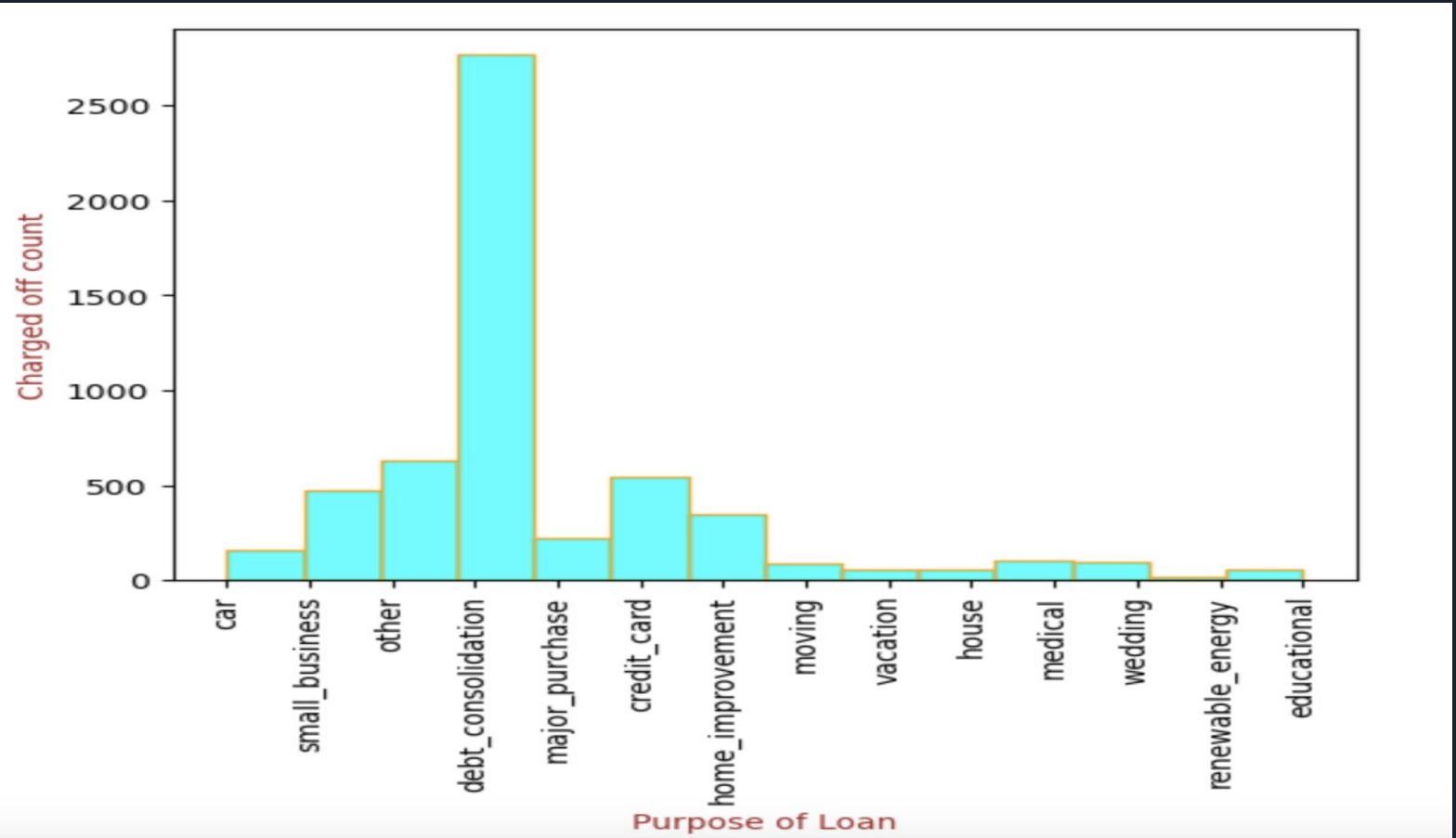
Here we get to know what is the count of borrower's who have fully paid the loan, who have defaulted and who are still paying.
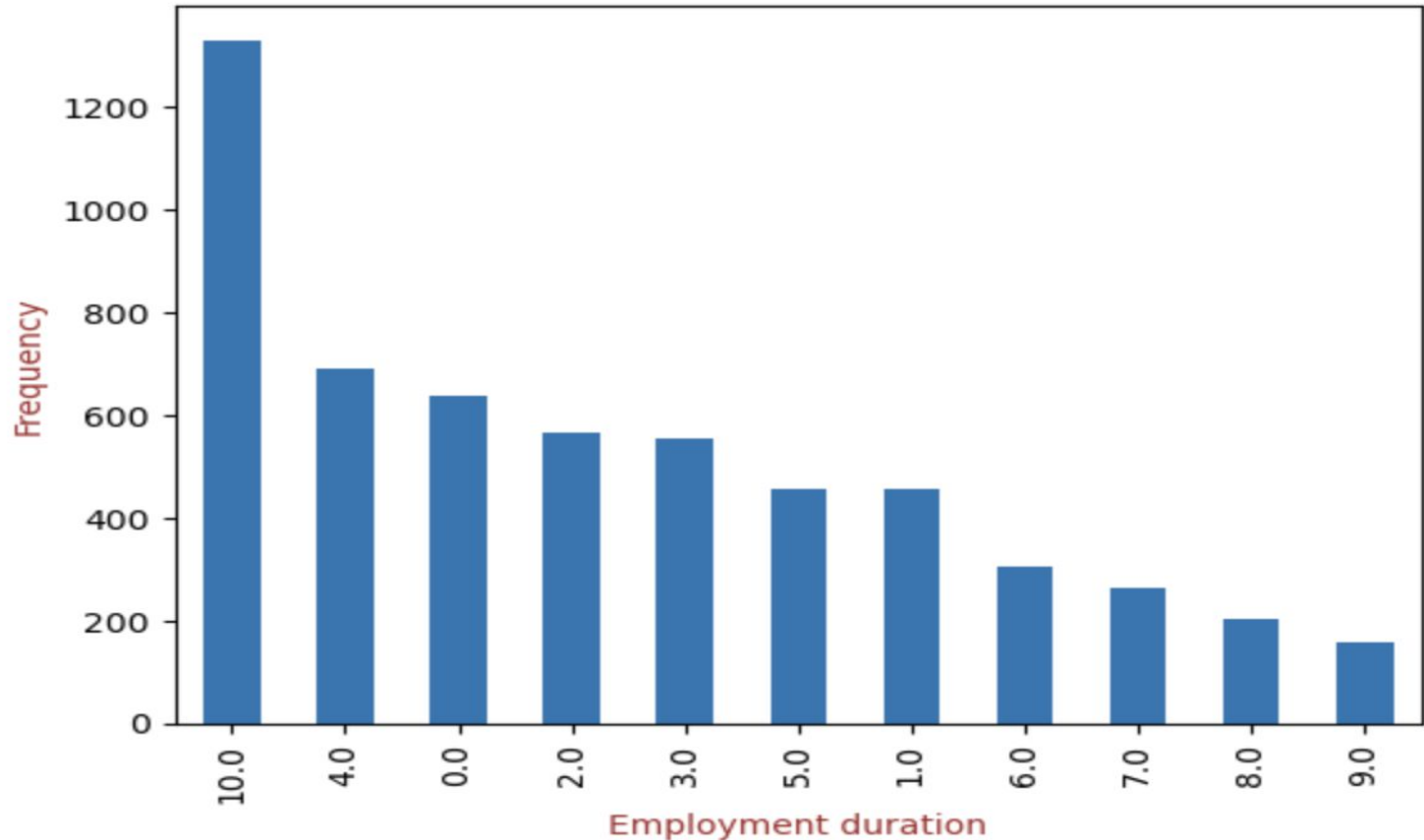

Loan status Count
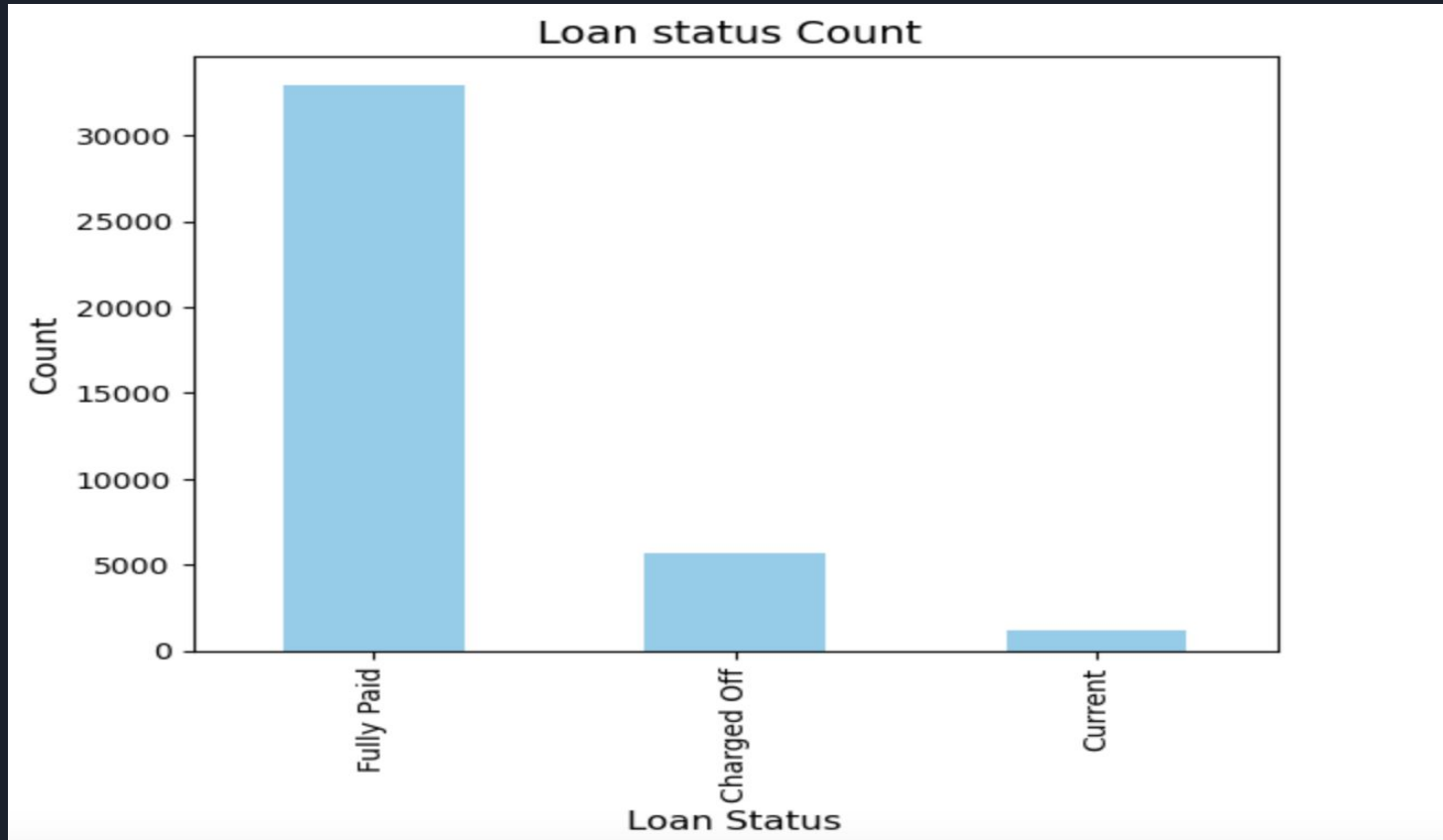
Here we identify what is the loan verification status for the defaulters.
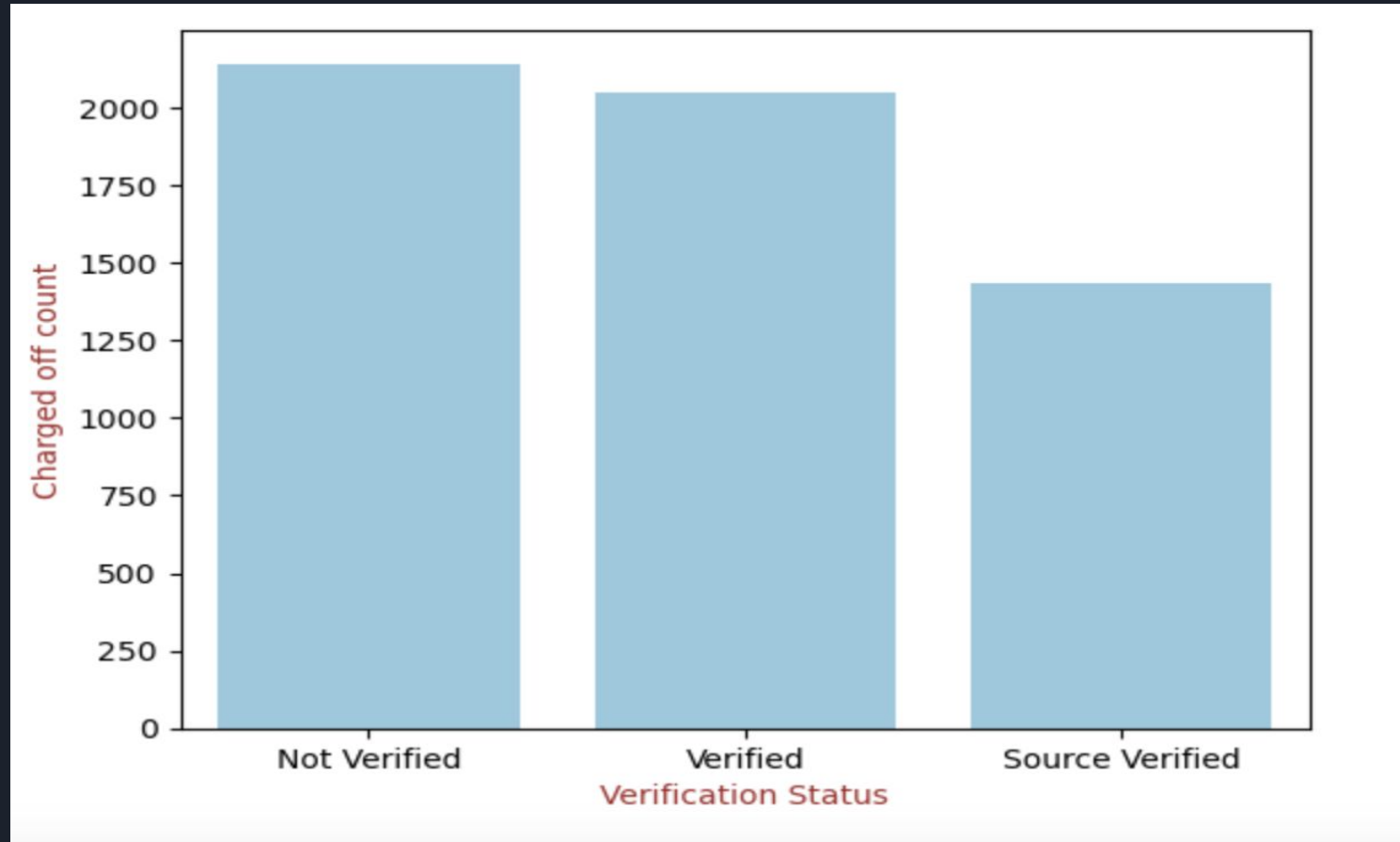
debt_consolidation tops the list followed by other and credit card as purpose listed by defaulters.

Here we see the employment tenure of the defaulters, mostly with 10+ years of employment seems to have defaulted the most.

Here we compare what is the median value of interest rates for persons who had fully paid the loan and who has defaulted. Seems the median of interest rate for people who defaulted is somewhere around 13%, while the full paid persons are around 11 and 12.
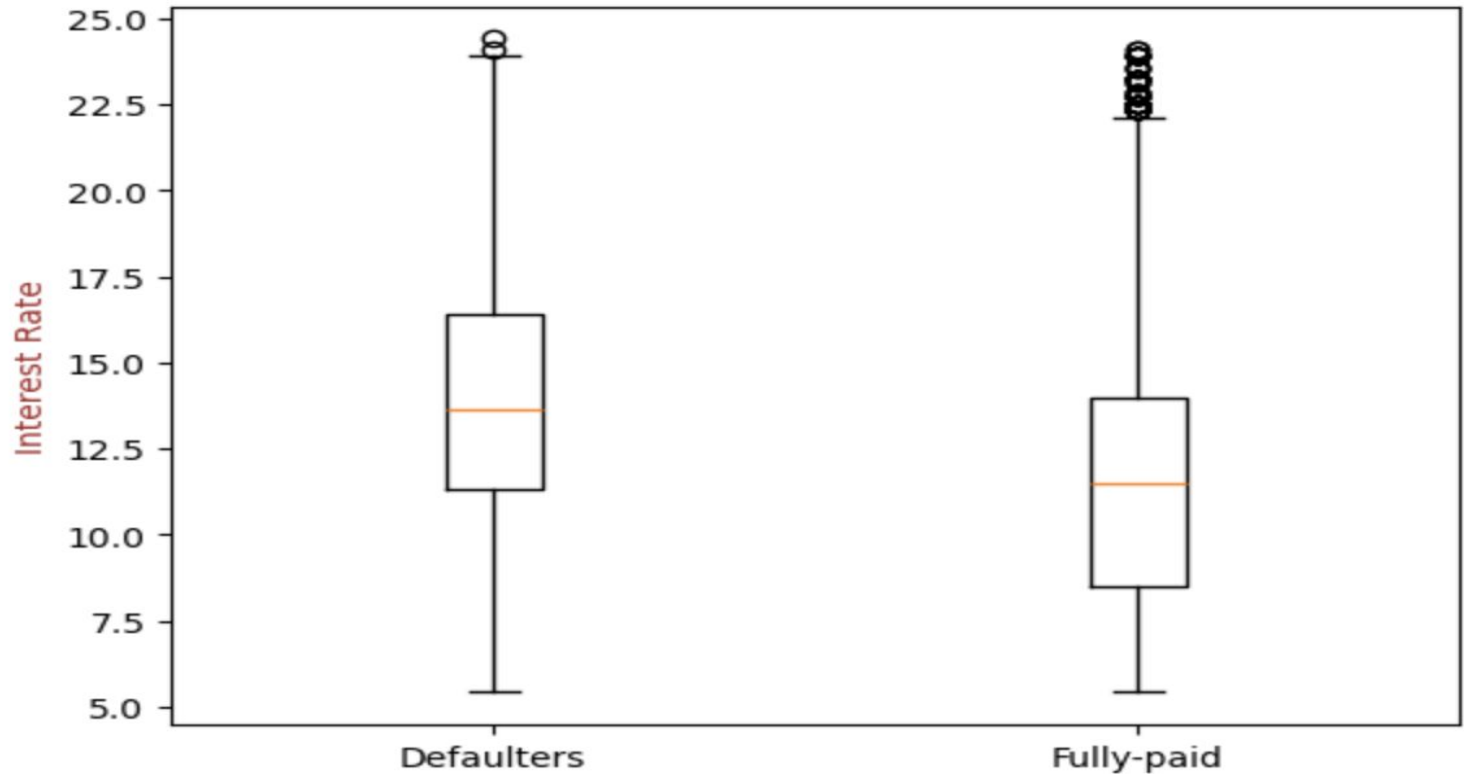
Here we get to know that most of the the borrowers are having RENT, followed by MORTGAGE
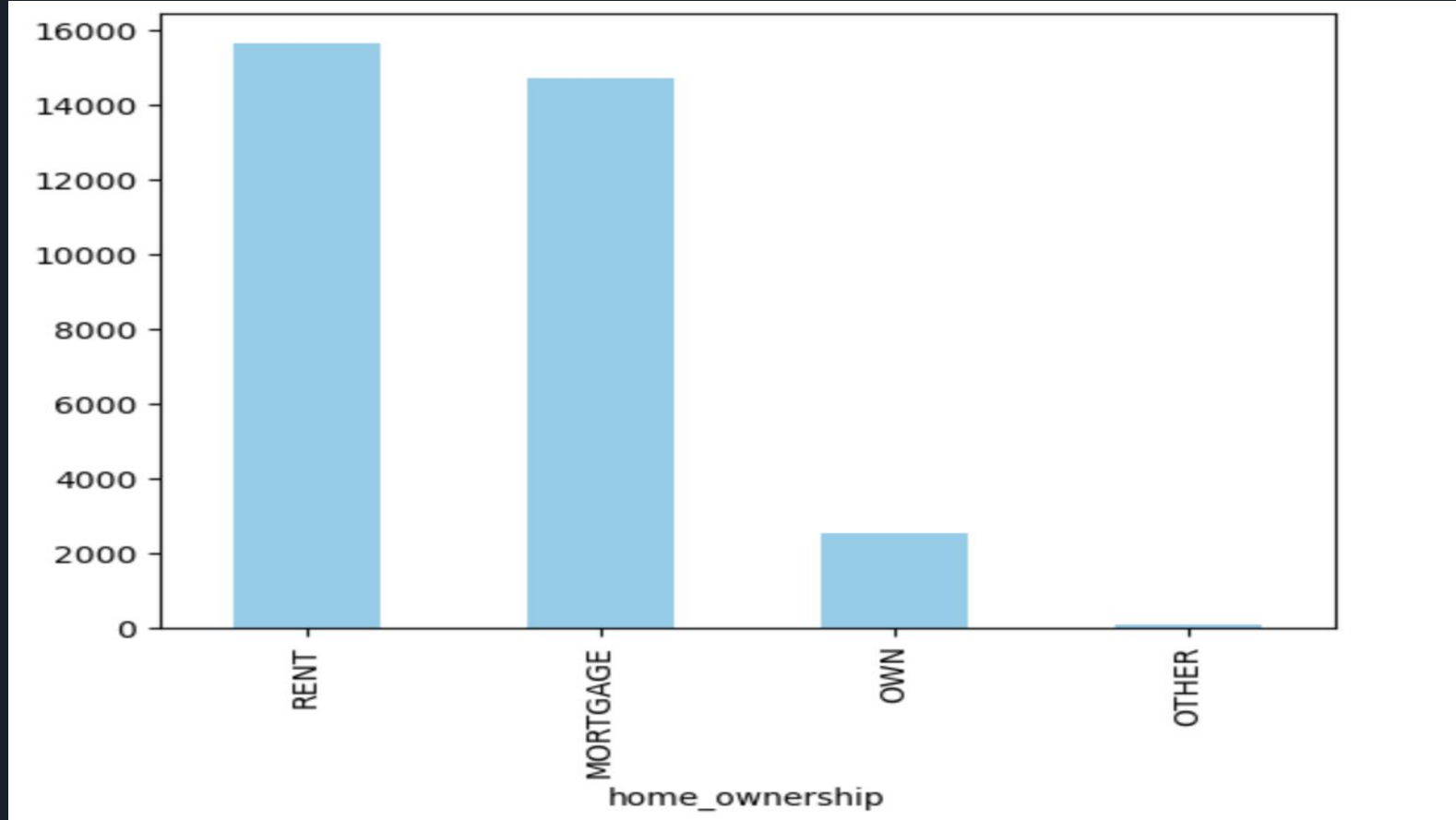
Here we get an insight on the type of ownership of home listed by borrowers who had defaulted.
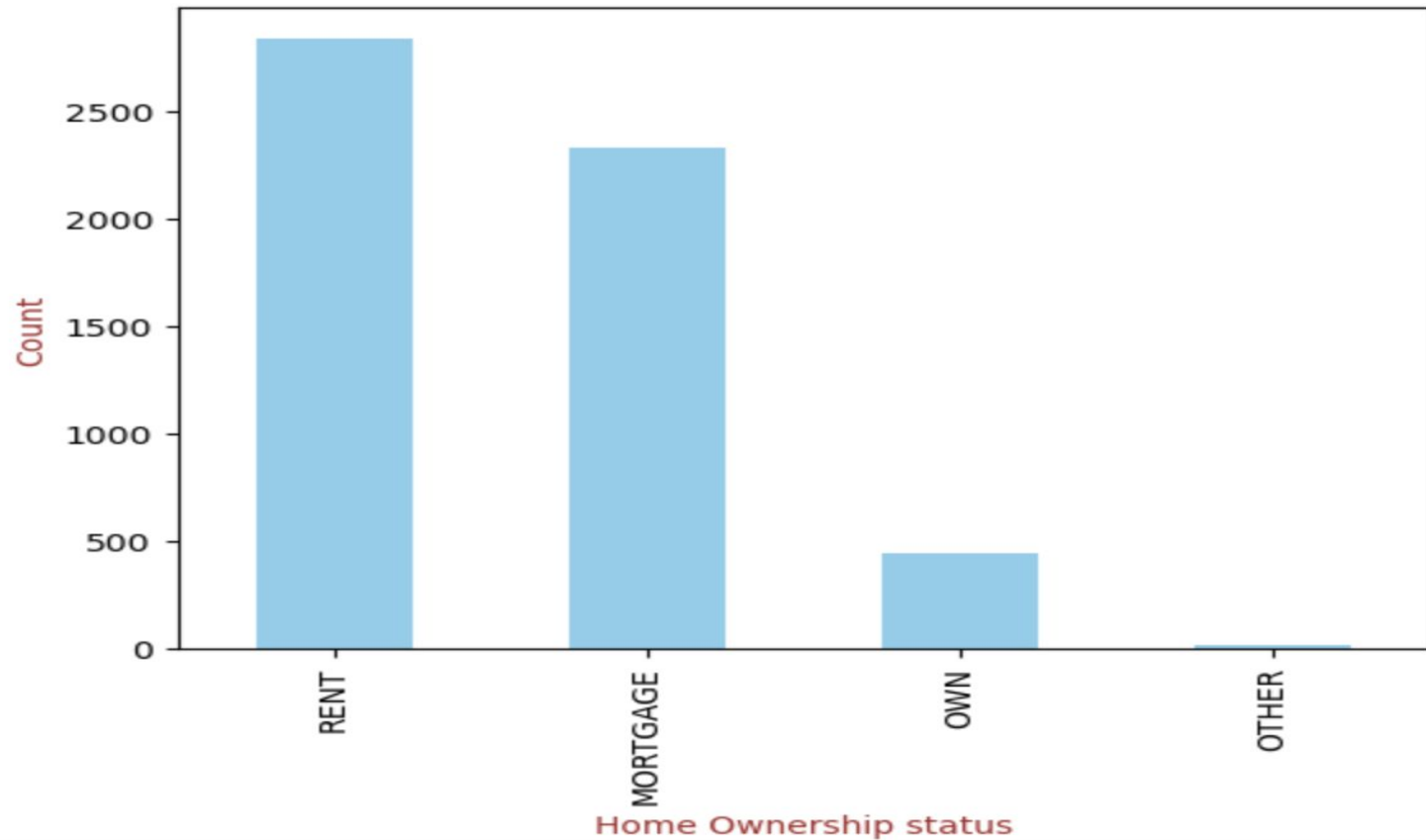
Here , we get insights by comparing the annual income listed by borrowers who defaulted with loan amount they applied.
Most of them lie within 2,00,000. One outlier which we observe here is when amount is 12,50,000
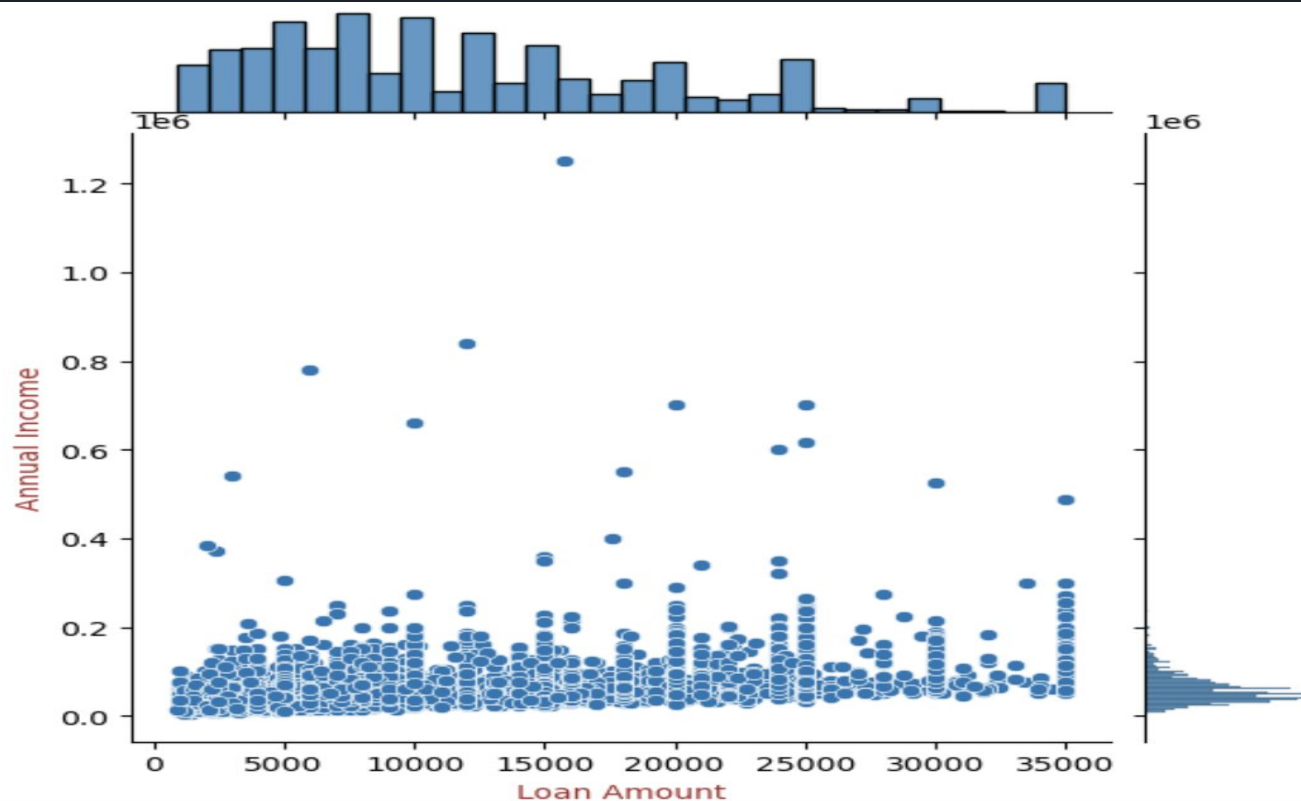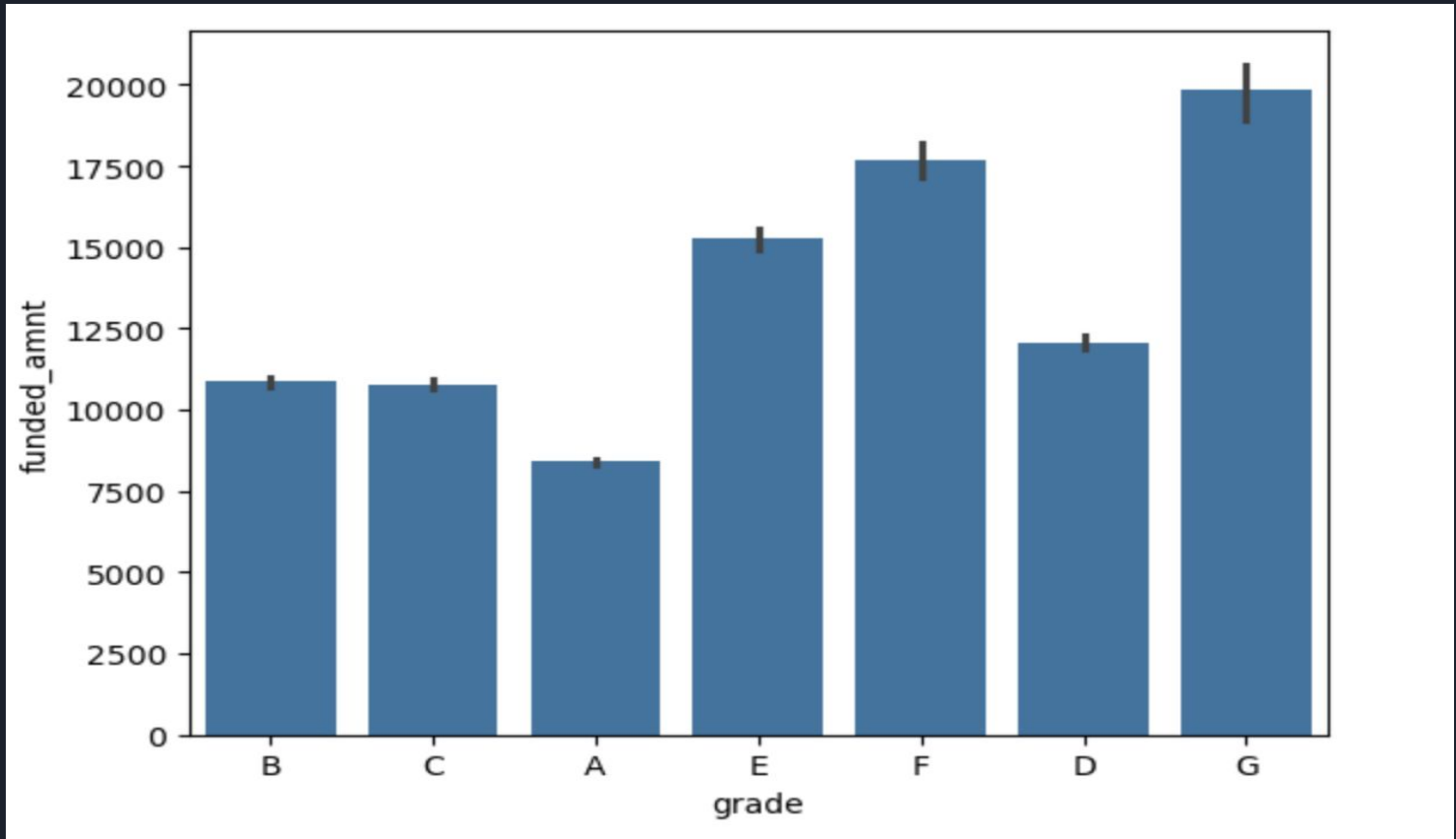
Here we see the year wise loan distribution, 2011 as a year seems to be the year, in which loan applications were funded the most.
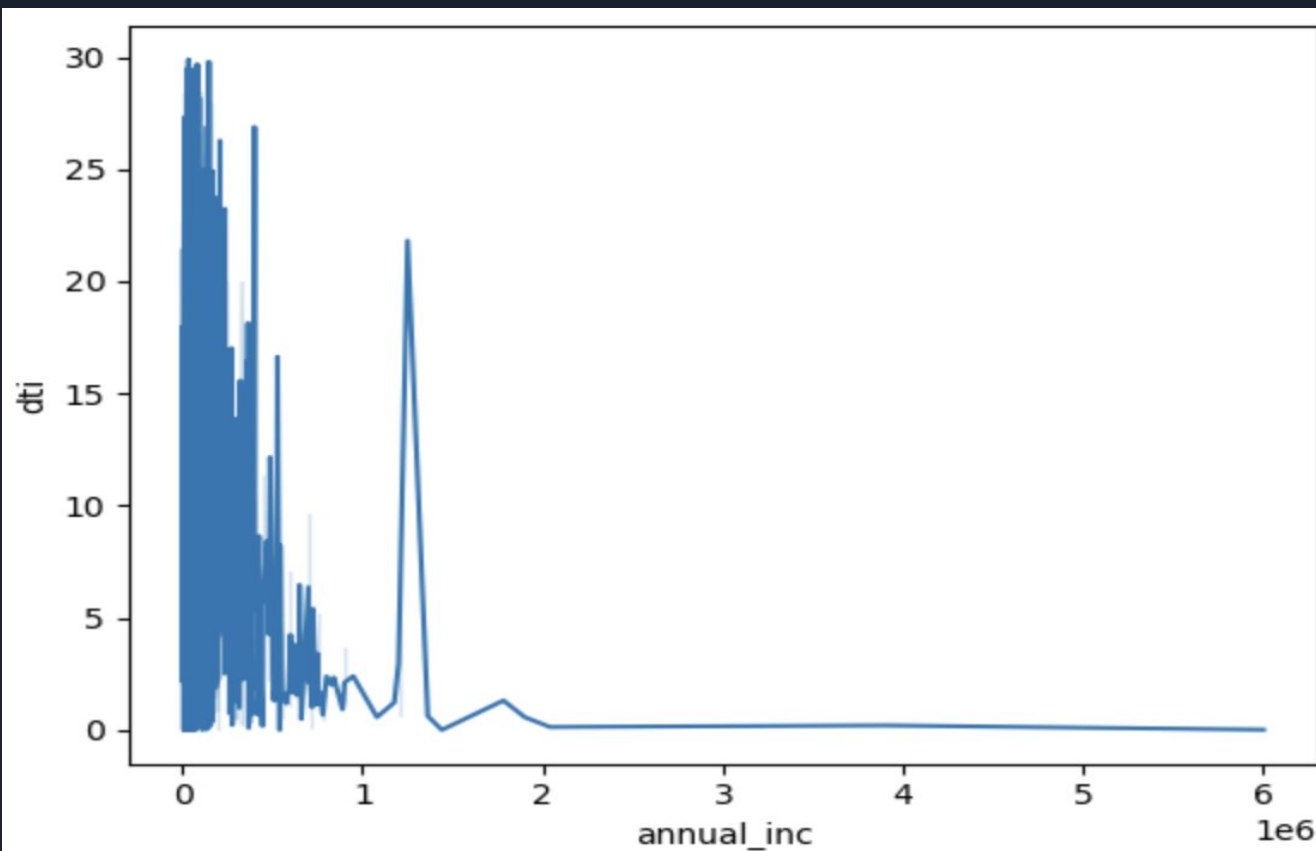

Year wise loan distribution
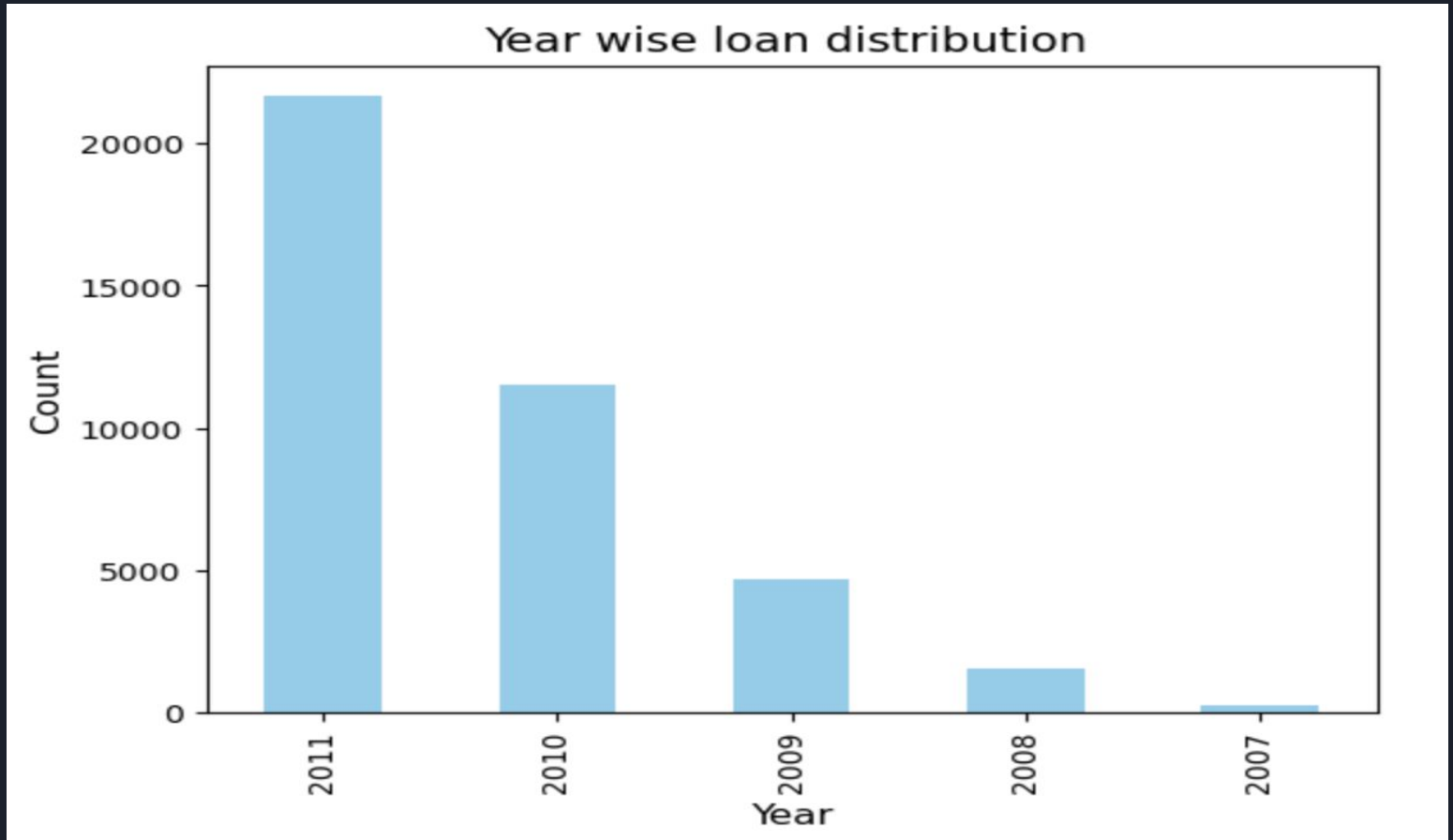
Here we can see the count of grade of loans which were funded. Most loans were of Grade B, followed by A.
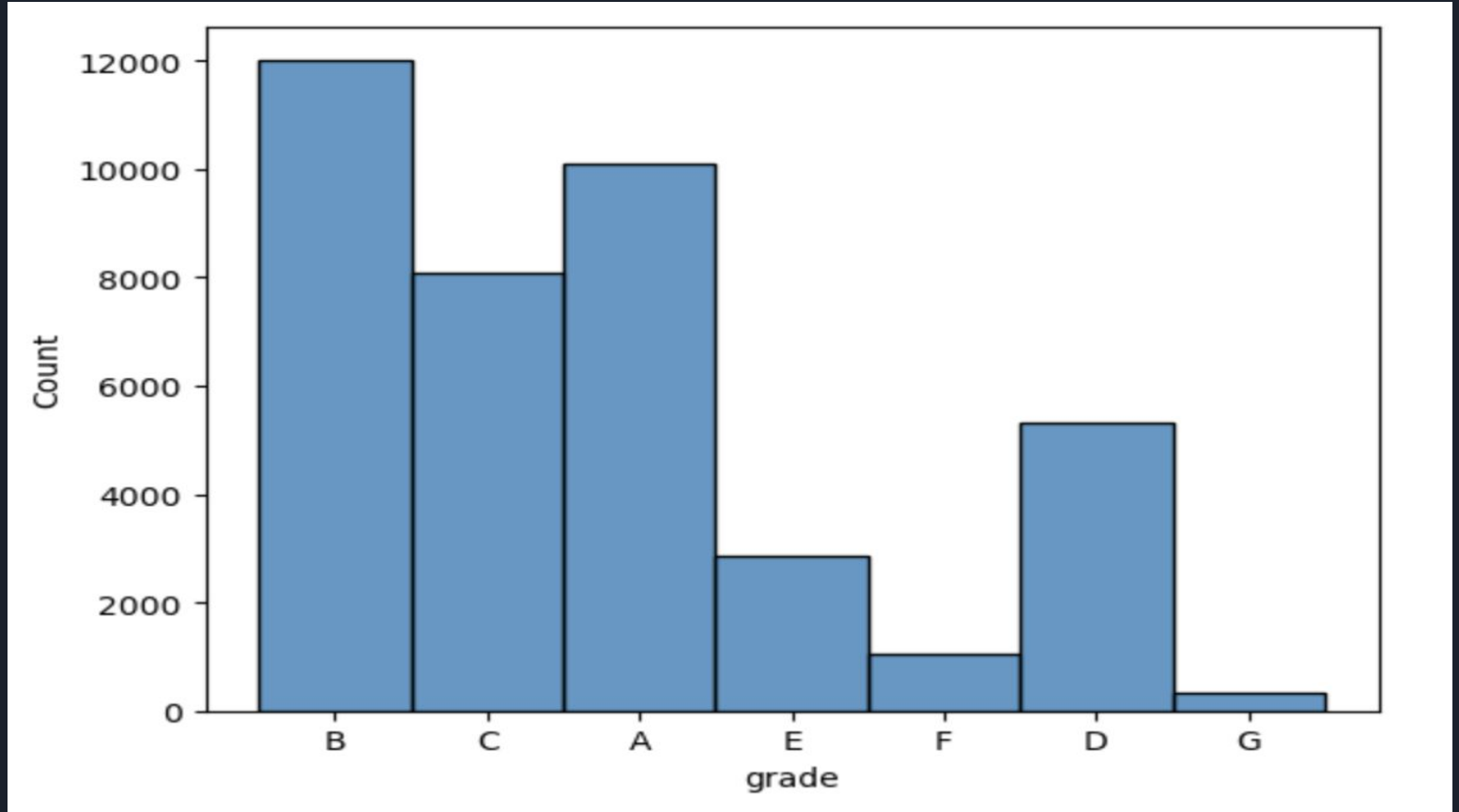
Here we compare the funded amount with the grade associated with the loan.

Here we compare the annual income to dti

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THANK YOU !!!