

Investor Education Center

What is a LendingClub Note?

What is a Note?



1:45

LendingClub Notes are offered by prospectus filed with the SEC. Investors should review the risks described in the prospectus prior to investing. lendingclub.com/legal/prospectus

Notes are securities that correspond to fractions of loans. This image depicts an example of a loan that corresponds to a Note an investor might purchase. The characteristics shown include the corresponding loan's interest rate, grade and sub-grade, loan amount, loan purpose, and term.

15.0%

A5**Debt Consolidation**

\$15,000

36 mo.

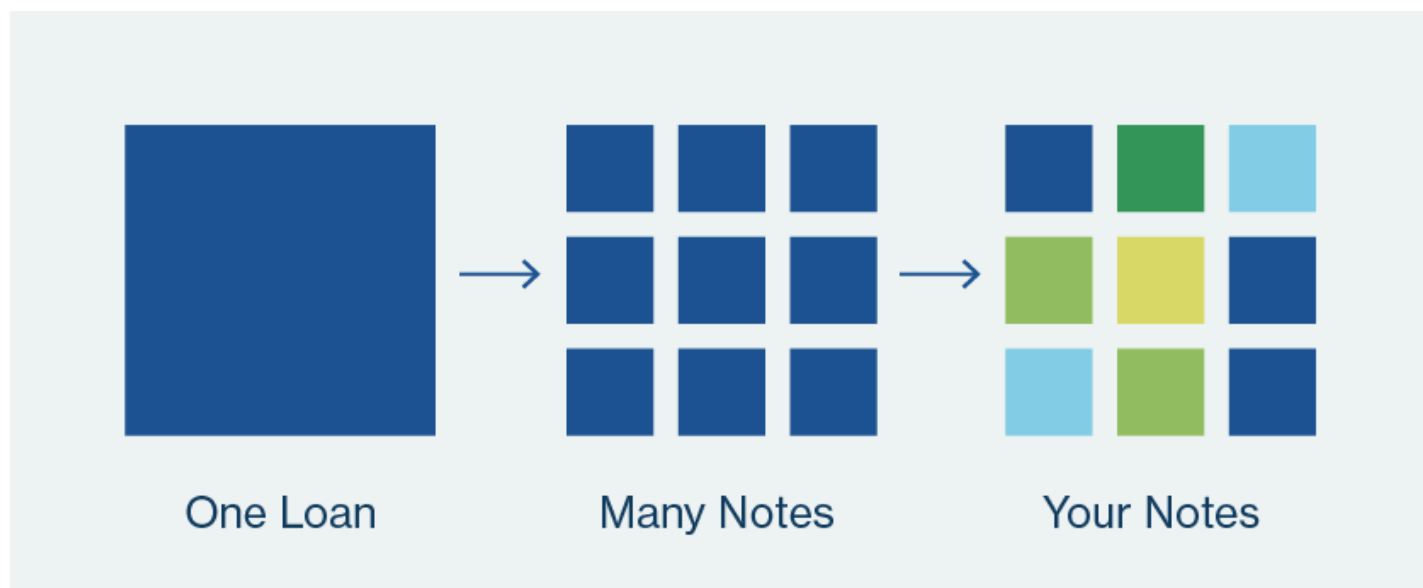
8.5%



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Understanding your LendingClub Note investment

When you invest at LendingClub, you are not making loans directly to the borrower, instead, you are investing in SEC-registered securities called Member Payment Dependent Notes, or “Notes,” which correspond to fractions of loans. As borrowers make their monthly loan payments of principal and interest, LendingClub takes out [applicable fees](#) and deposits the portion corresponding to your Note into your account.



Building your portfolio of LendingClub Notes

How to evaluate a Note:

- **Grades and sub-grades:** LendingClub assigns a grade (A–C) and sub-grade (1-5) to each Note, which reflects LendingClub’s assessment of the credit risk of the corresponding loan. For example, if the borrower has a weaker credit profile they would get a lower grade and sub-grade, like C5. If the borrower has a stronger credit history, they’d get a higher grade and sub-grade, like A1 or B1.
- **Interest rates:** The stated interest rate on each Note varies depending on the credit risk of the corresponding loan. So higher grade Notes (higher credit quality) come with lower interest rates. Lower grade Notes come with higher interest rates to factor in the risk you’re taking on by investing in weaker credit.
- **Terms:** Loans mature in 3-or 5-years and are paid off monthly by borrowers. Each payment includes both interest and principal. Know that borrowers can pre-pay their full loan amounts and are not subject to any early payment fees or penalties.



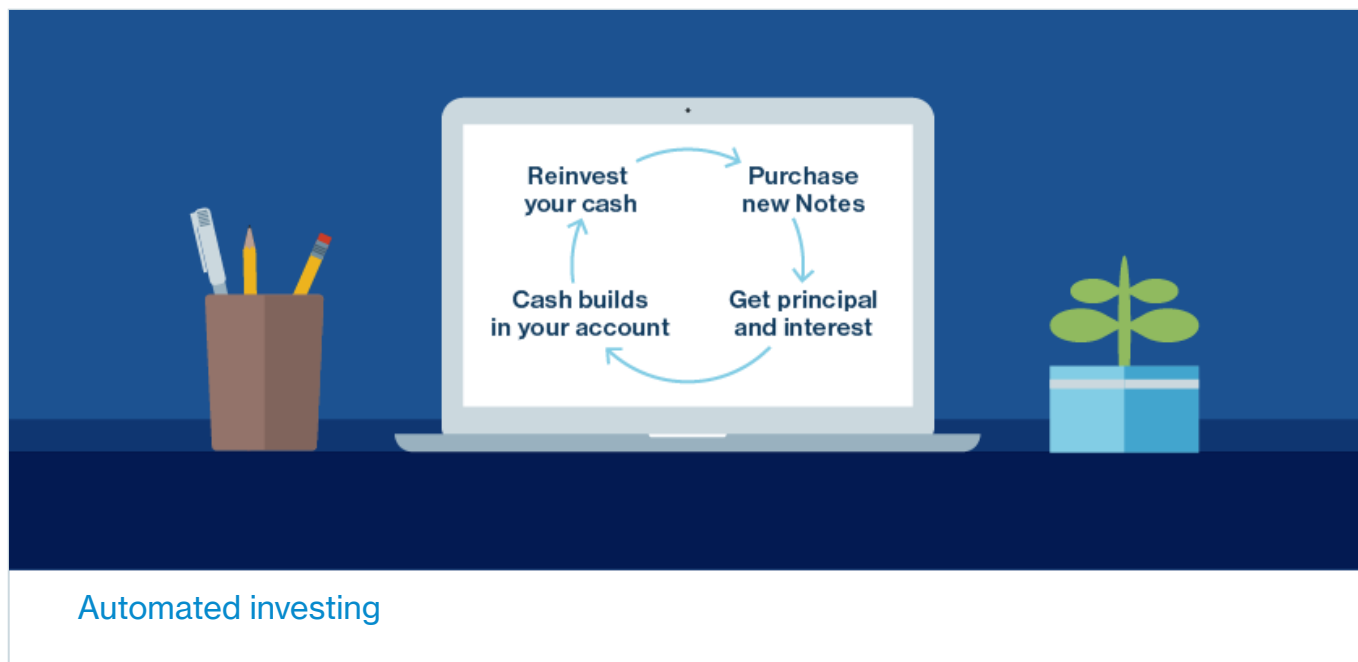
For additional information about investing in LendingClub Notes, check out our [performance page](#) to understand why diversifying across multiple Notes at LendingClub is important, and how different Note grades and terms have performed. No matter what grade and term criteria you choose, it is always important to consider diversifying your risk. Learn more about the [benefits of diversification](#).

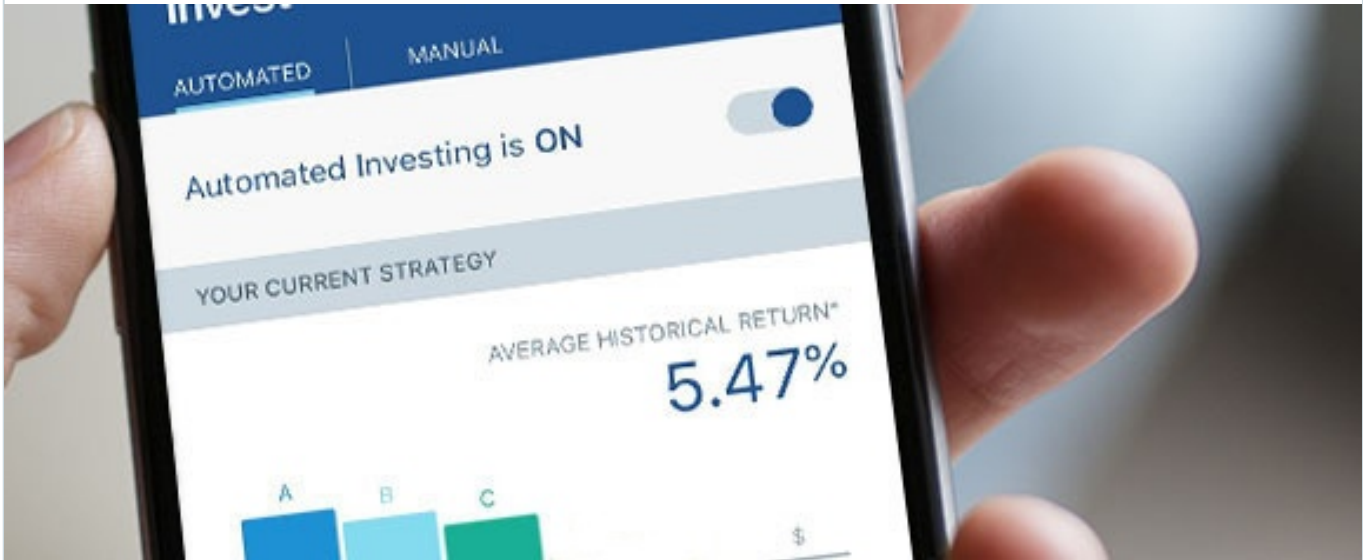
We take care of the complicated stuff so you don't have to

In addition to managing the payments deposited into your account, LendingClub will also work on your behalf to attempt to collect any late or delinquent payments if a borrower defaults. To learn more about collections, click [here](#).

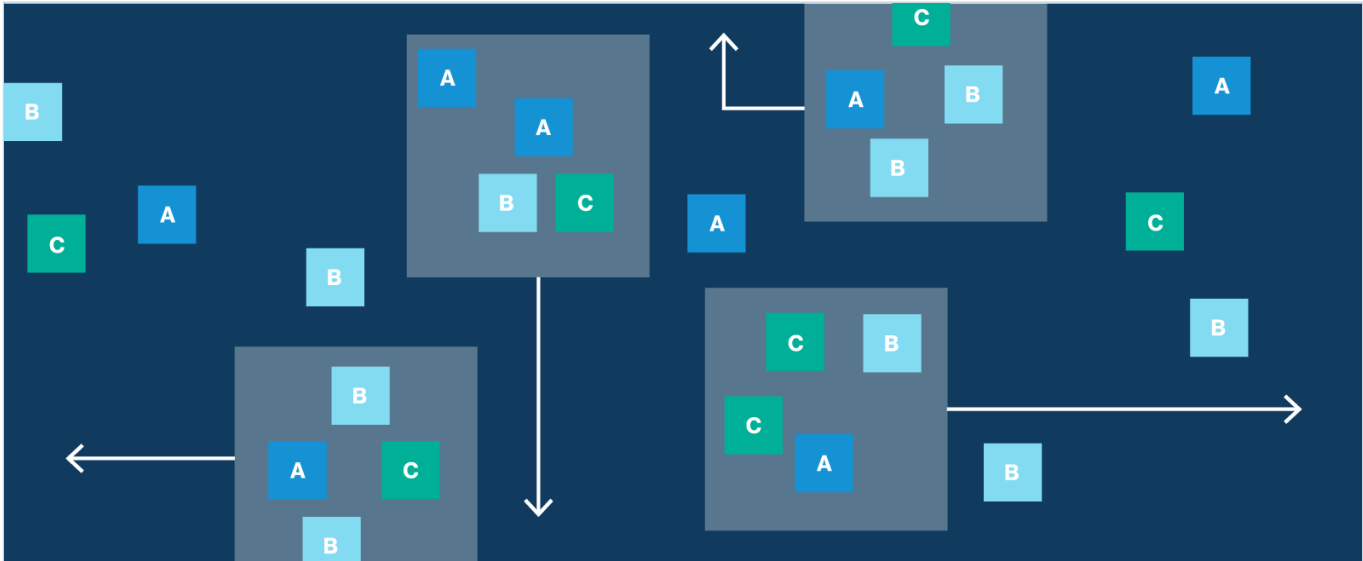
Need additional assistance with investing in Notes? Our Investor Services team is here to help! Contact us at investing@lendingclub.com.

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Safety & Privacy



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Checking your rate generates a soft credit inquiry, which is visible only to you. A hard credit inquiry that may affect your credit score only appears when your loan is issued.

LendingClub Notes are not FDIC insured • not guaranteed • may lose value

LendingClub Member Payment Dependent Notes (Notes) are offered by prospectus. Investors should review the risks and uncertainties described in the prospectus carefully prior to investing. Historical performance is not a guarantee of future results and investors may lose some or all of the principal invested. LendingClub does not provide investment, tax, or legal advice. You should consult your legal, tax, and/or investment professional prior to making any financial or investment decision. While returns are dependent upon borrower payments of principal and interest, Note holders do not have a security interest in the corresponding loans or loan proceeds. Notes are unsecured obligations of LendingClub. Returns may be impacted by, among other things, the number and attributes of Notes owned, as well as macroeconomic and other conditions.

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