

# LENDING CLUB

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# PROBLEM STATEMENT

identify patterns which indicate if an applicant applies for Loan with Lending Club, then:

- is he/she the suite prospect for Business
- Or the applicant is too risky for Business. If its too risky
  - then such loans can be reduced
  - Denied
  - charged at higher rates
  - duration shortened

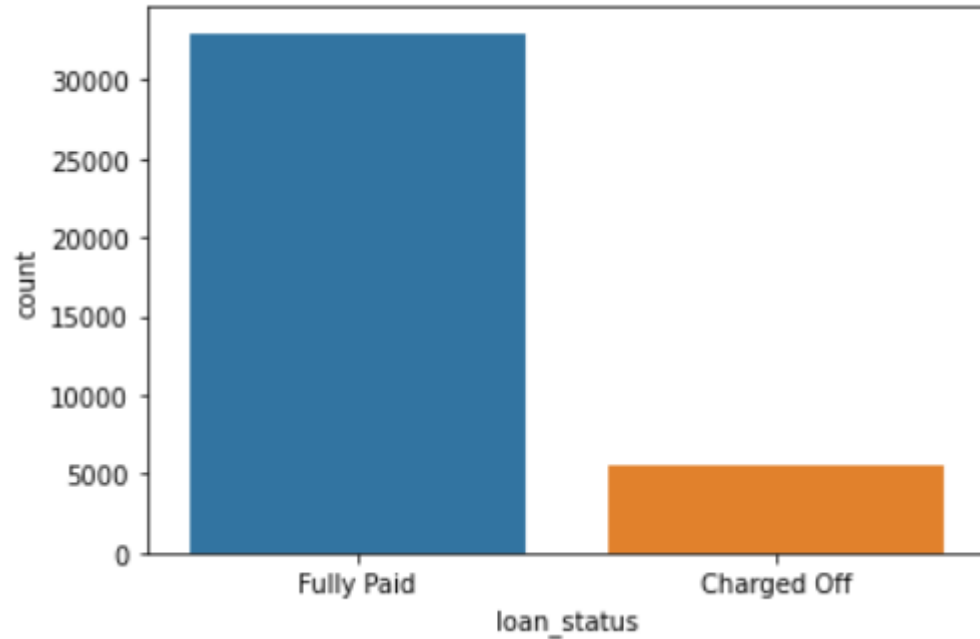


# CONSIDERATIONS

From the data proposed we found out that loan applicants which have fully paid their loans or being charged off need to be considered for analysis with additional information mentioned below in various combinations:

- Home Ownership
- Verification Status
- funded\_amnt\_inv
- Term
- int\_rate
- emp\_length
- Grade
- pub\_rec\_bankruptcies
- Current DTI ratio

# UNIVARIATE CHART



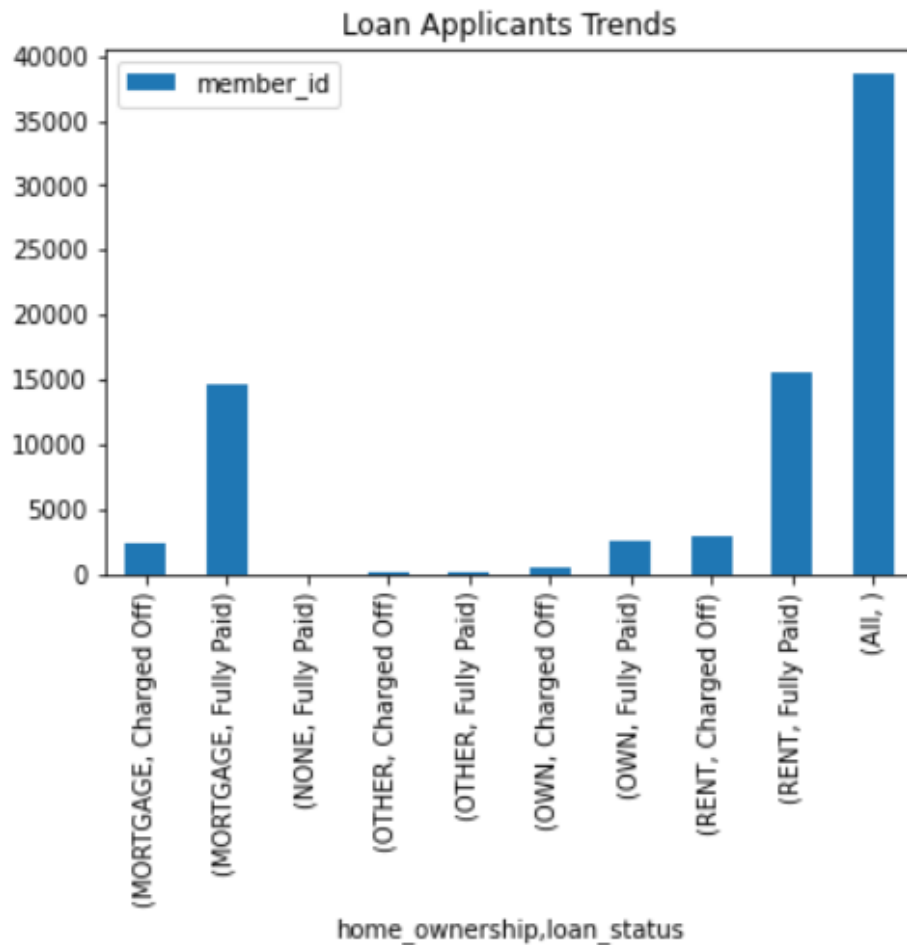
In this chart we find that most of the loan applicants in the data set available have fully paid the loans. And its around  $1/6^{\text{th}}$  of total number of members who have been charged off.

# UNIVARIATE CHART



In this chart we find that maximum number of loan applicants in the data set available are either on Rent or have Mortgage along.

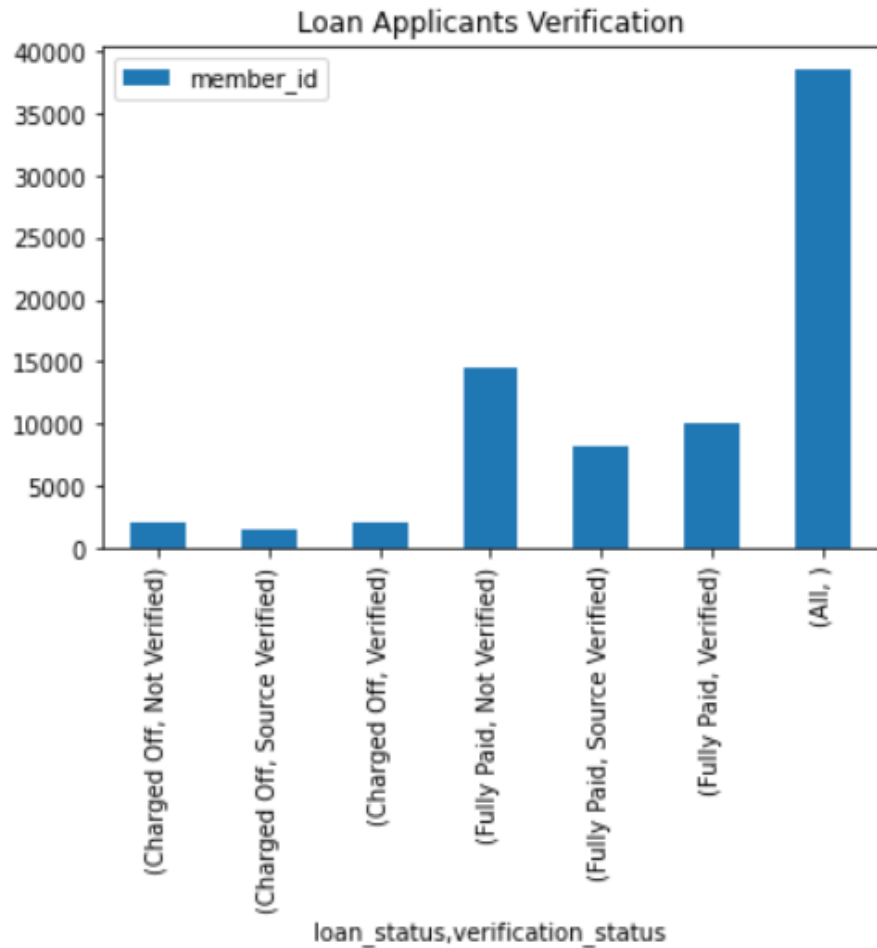
# BIVARIATE CHART



In this chart we can easily find that maximum number of Loan Applicants with Home Ownership as "Mortgage" or "Rent" have Fully Paid the loan.

Just after that if we look for Charged Off Loans the numbers are from the members who are on either on Rent or have a Mortgage.

# BIVARIATE CHART



- In the below chart we can easily find that maximum number of Loan Applicants were not verified properly. Even though the number of members under non-verified ones have fully paid; however, the compliance is not followed properly which may lead to future risks.
- We also see that there are a good number of Non-Verified applicants/members which have been charged off too.
- Also, if there is a good number of members who were verified and even then, we had few loans charged off. So there, data needs to be looked in more detail that what circumstances were observed.

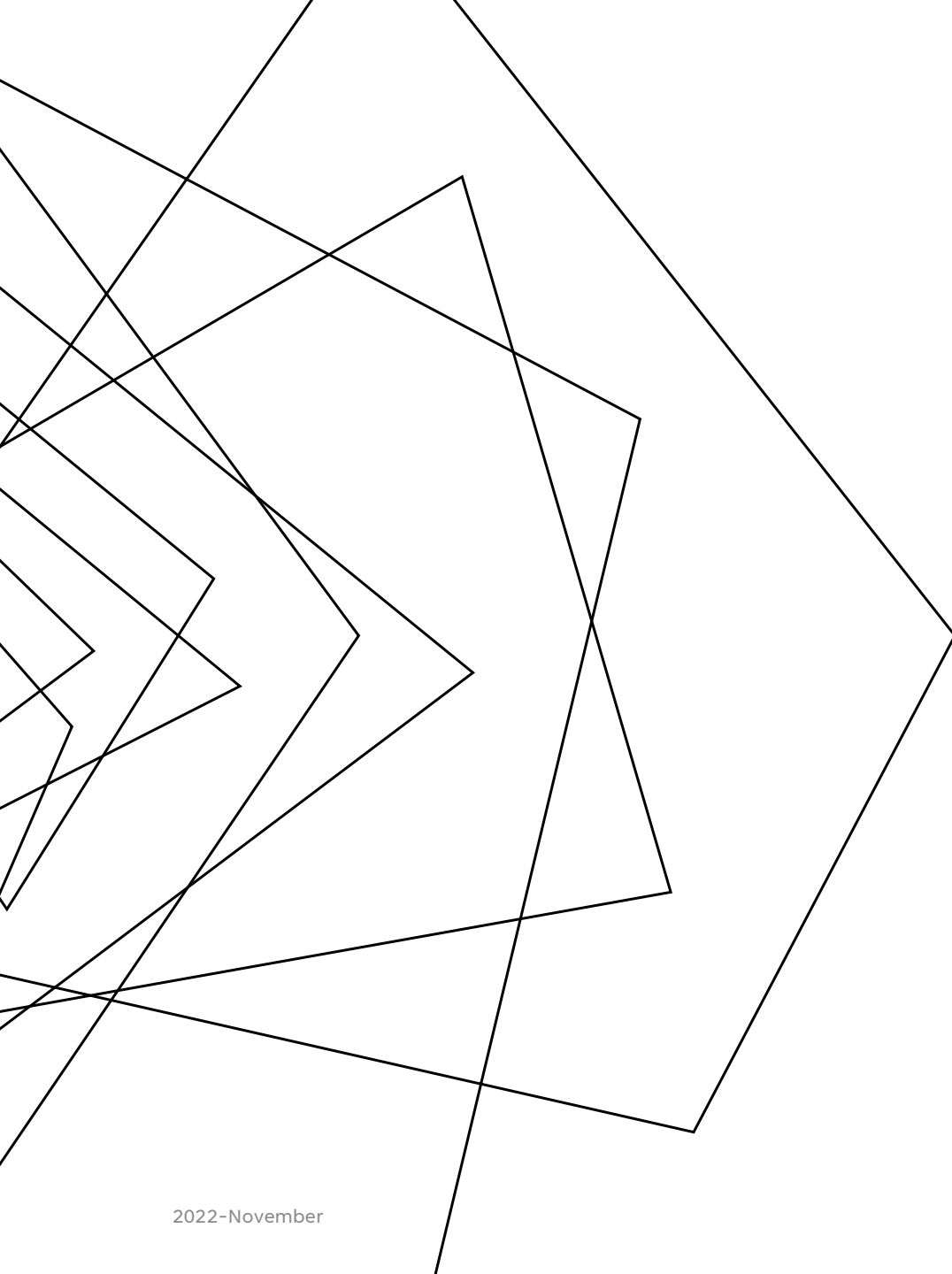


# CONCLUSION

From the data analysis done so far, its found that there is around 1/6<sup>th</sup> of the total number of members (of data set considered) have been charged off and mostly they were on Rent or had Mortgage and were Not Verified.

A lot of non - compliance count was found related to loan applicant's verification process.





THANK YOU