

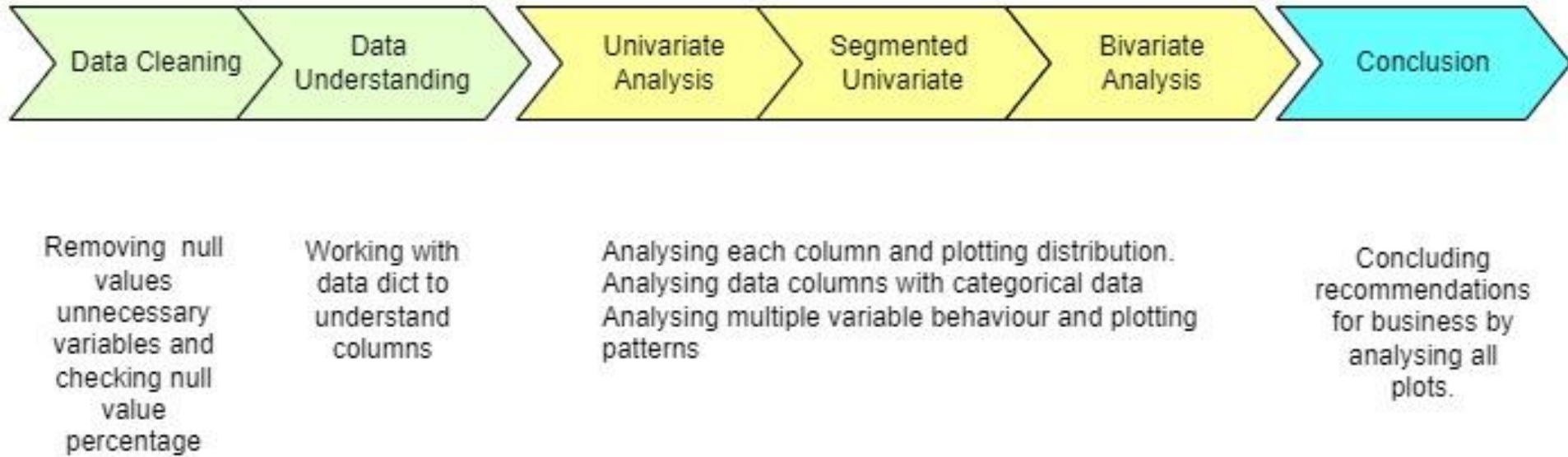
Lending Club Case Study

Study Group By

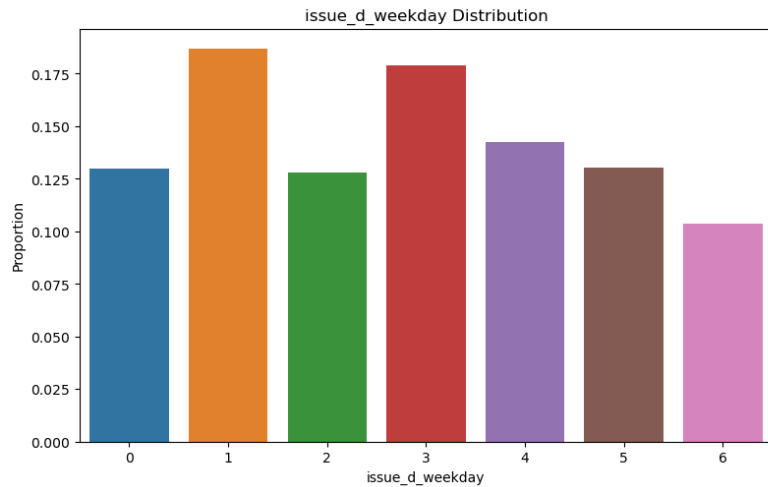
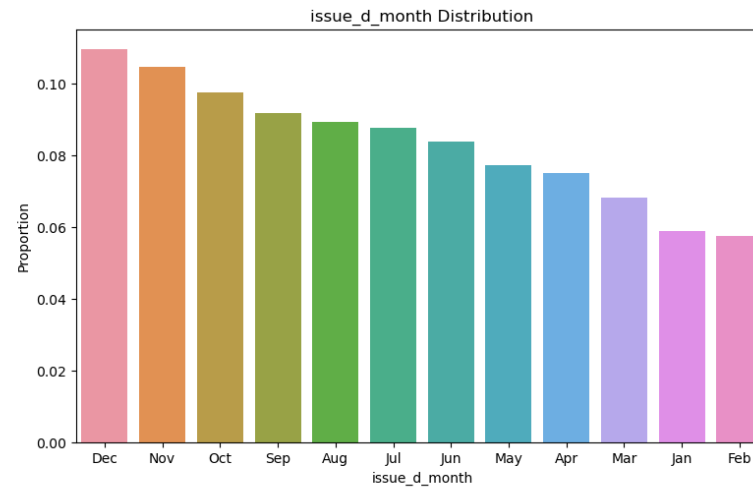
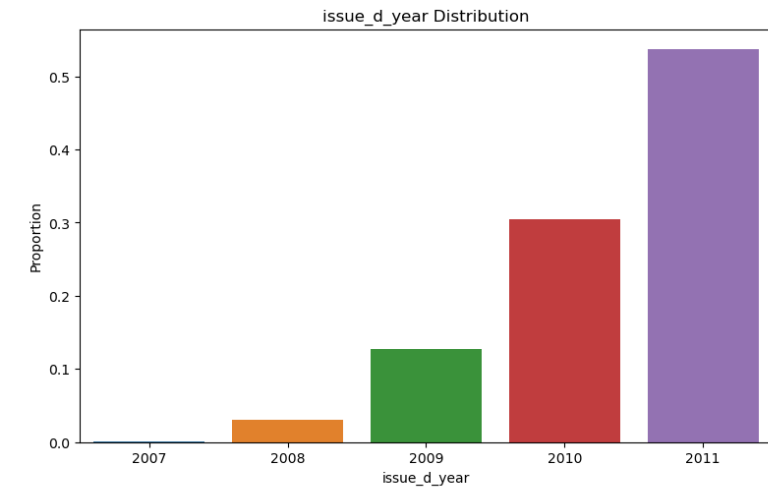
G Bhargav

Sreelesh

EDA approach

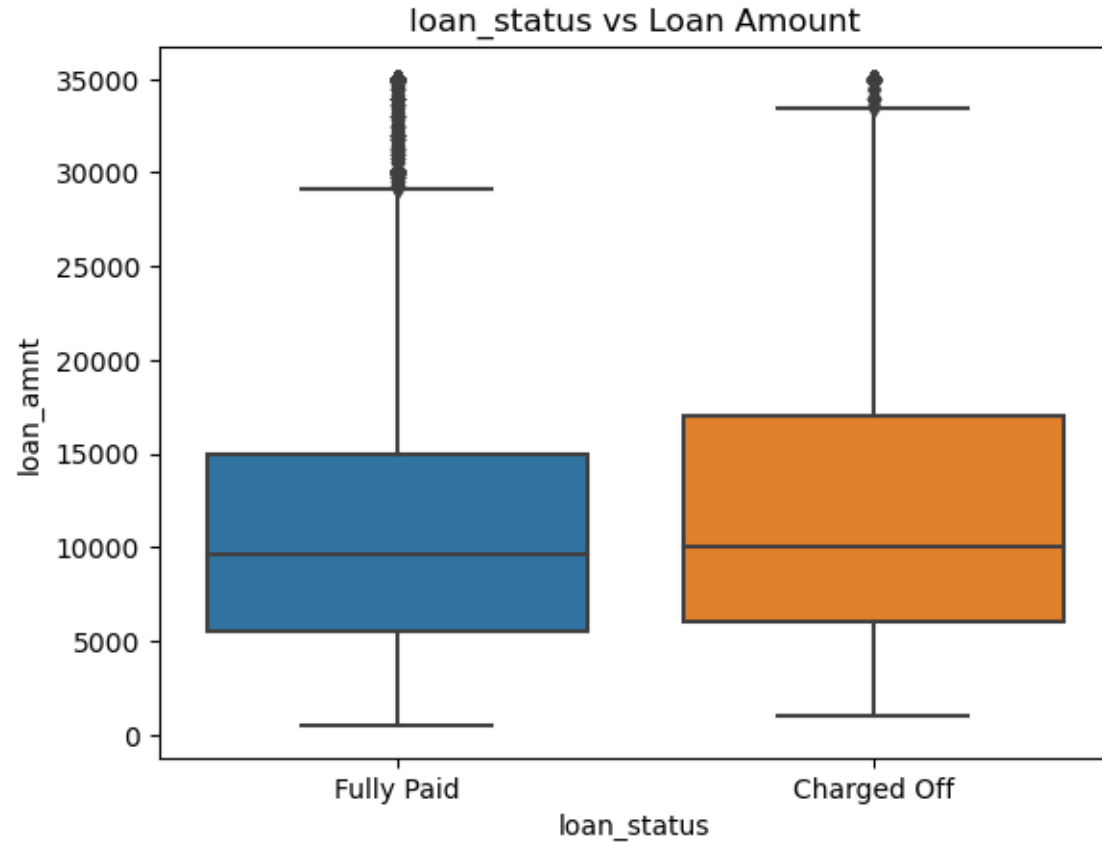


Growth of Lending club



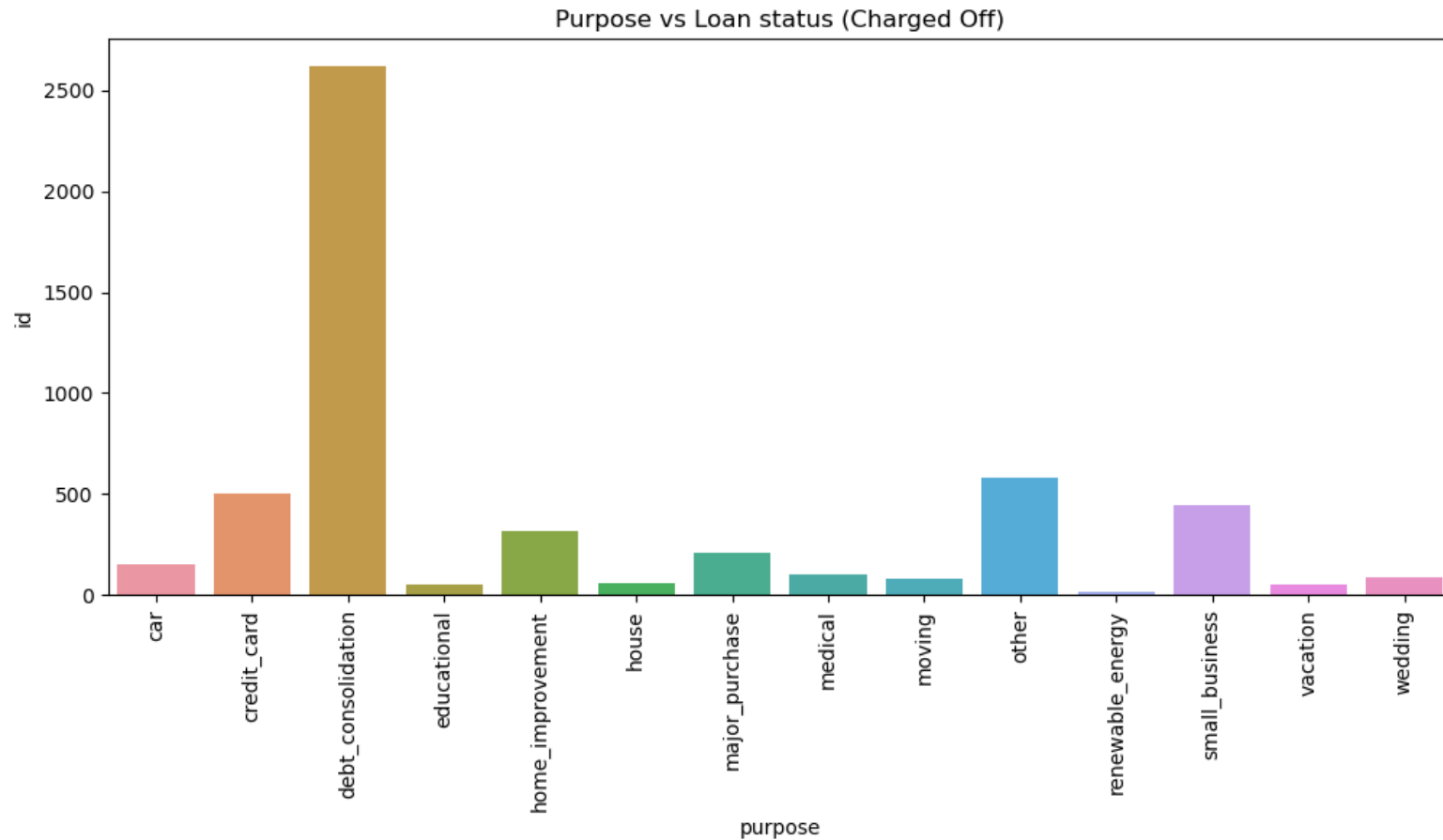
- Lending Club has doubled its expansion in issuing loans every year
- 3rd quarter of fiscal year i.e Oct, Nov, Dec is peak business quarter for Lending club.

Loan Amount & Interest Rate



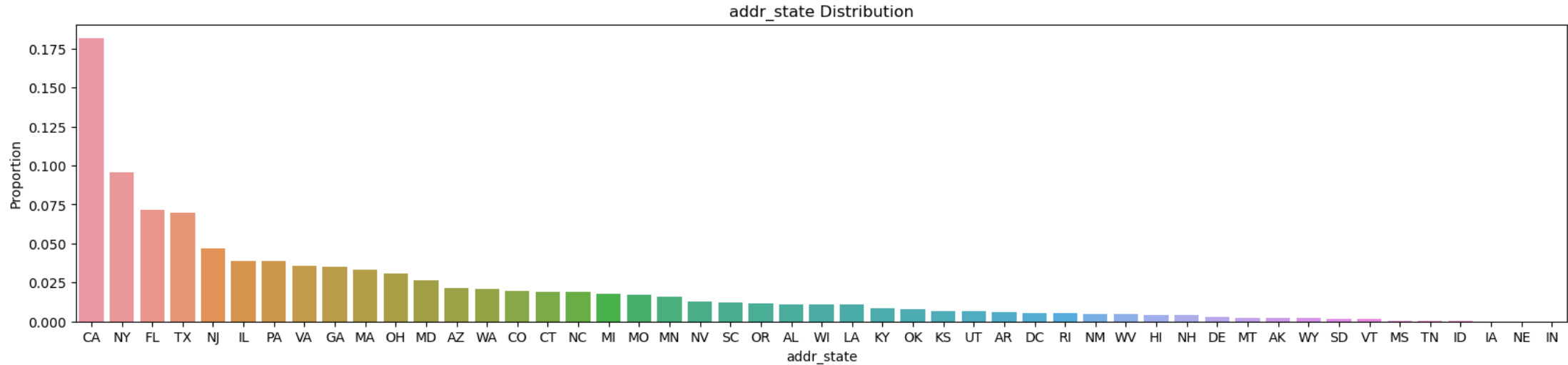
The higher the Loan amount, the more the loan gets defaulted.

Purpose vs Loan status



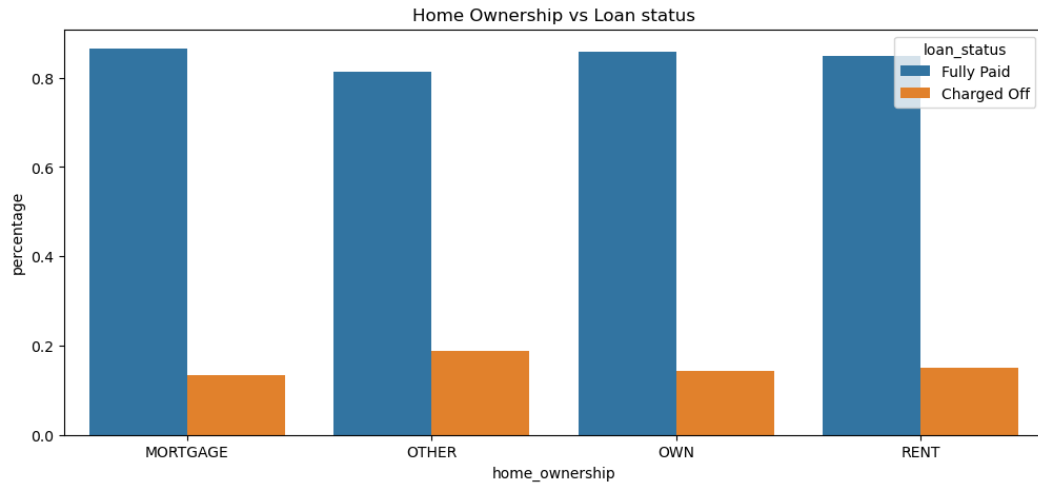
- Borrowers who took loan for debt_consolidation purpose have defaulted more.

Top defaulted states

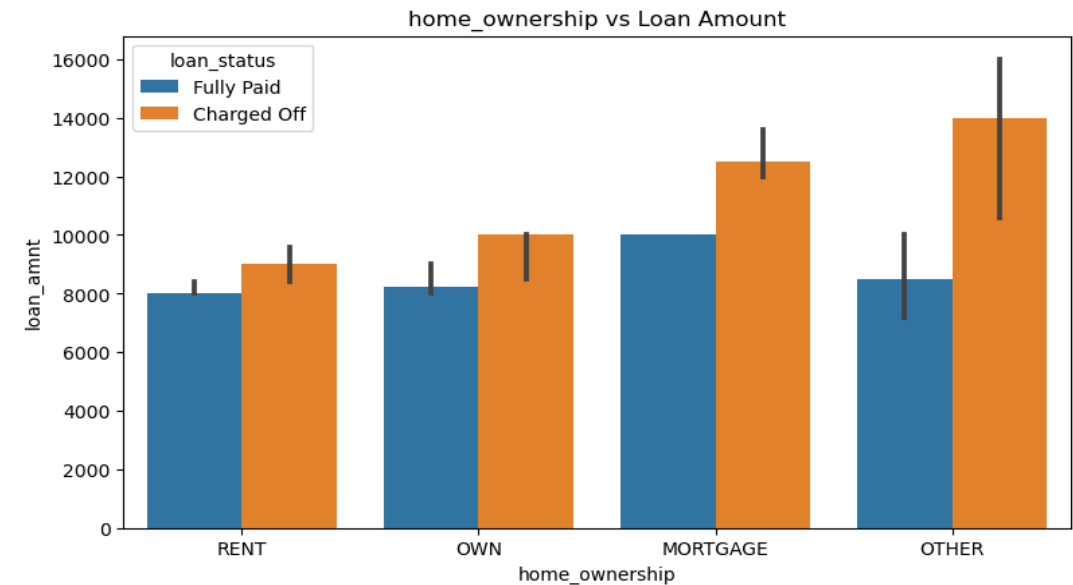
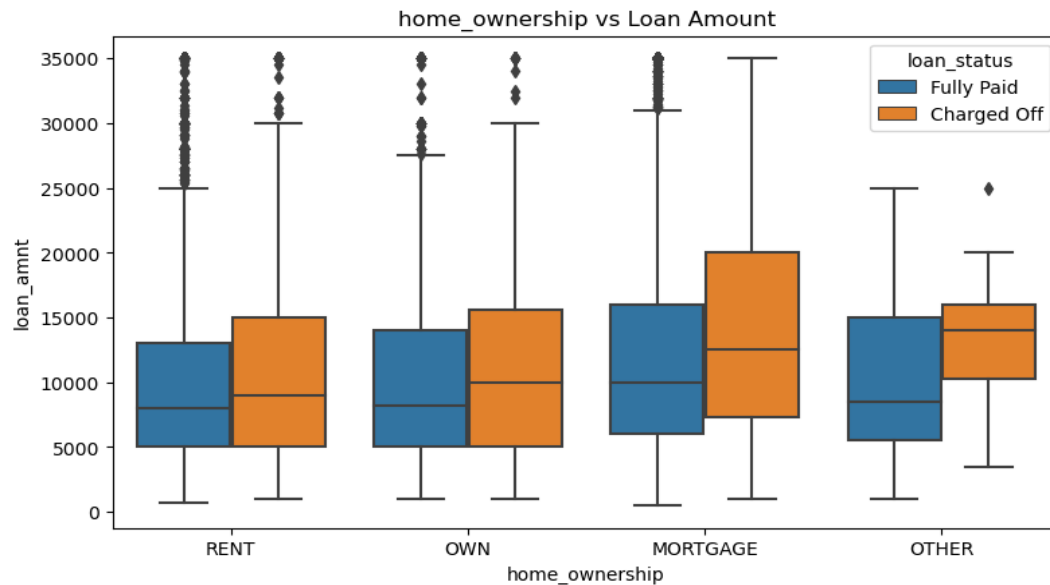


Top 3 defaulted Borrowers are from CA, NY & FL.

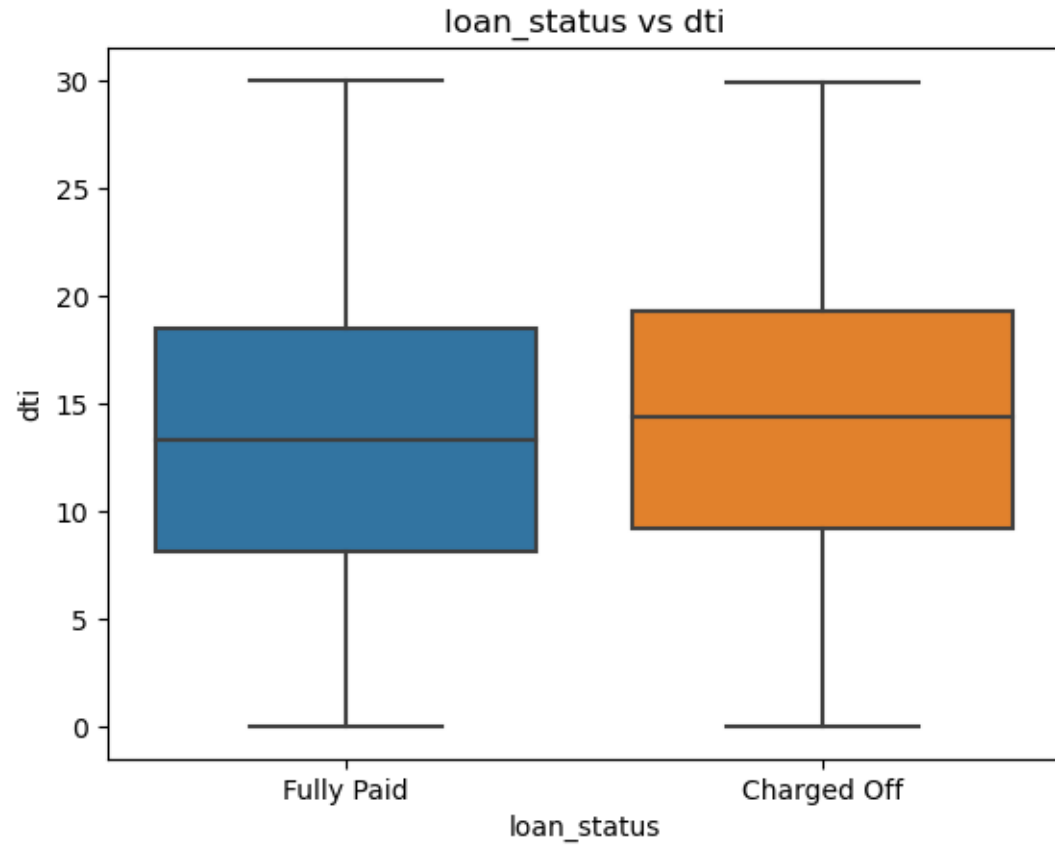
Home Ownership



- Borrowers who live in Mortgage homes are more likely to default
- Around 20% chance of loan default in each home category

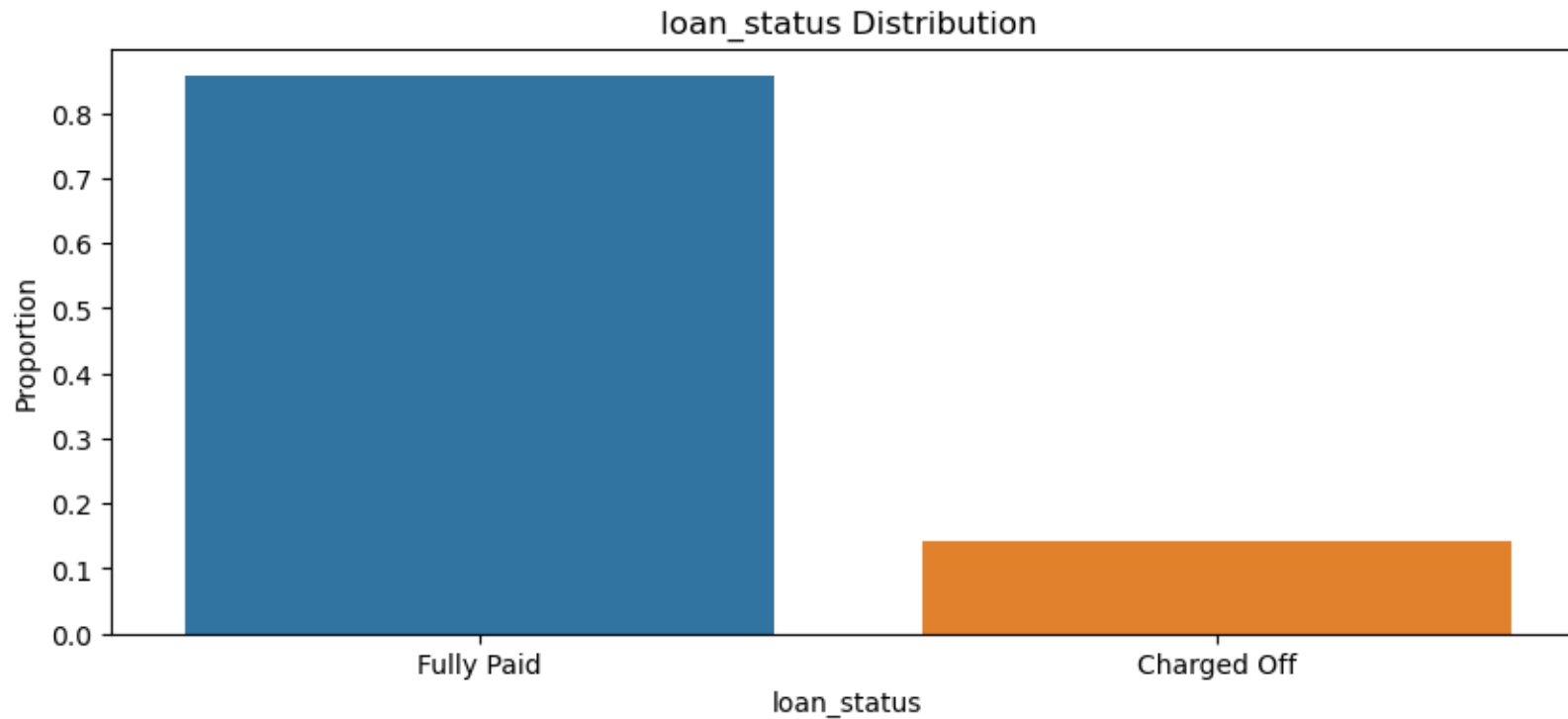


DTI distribution



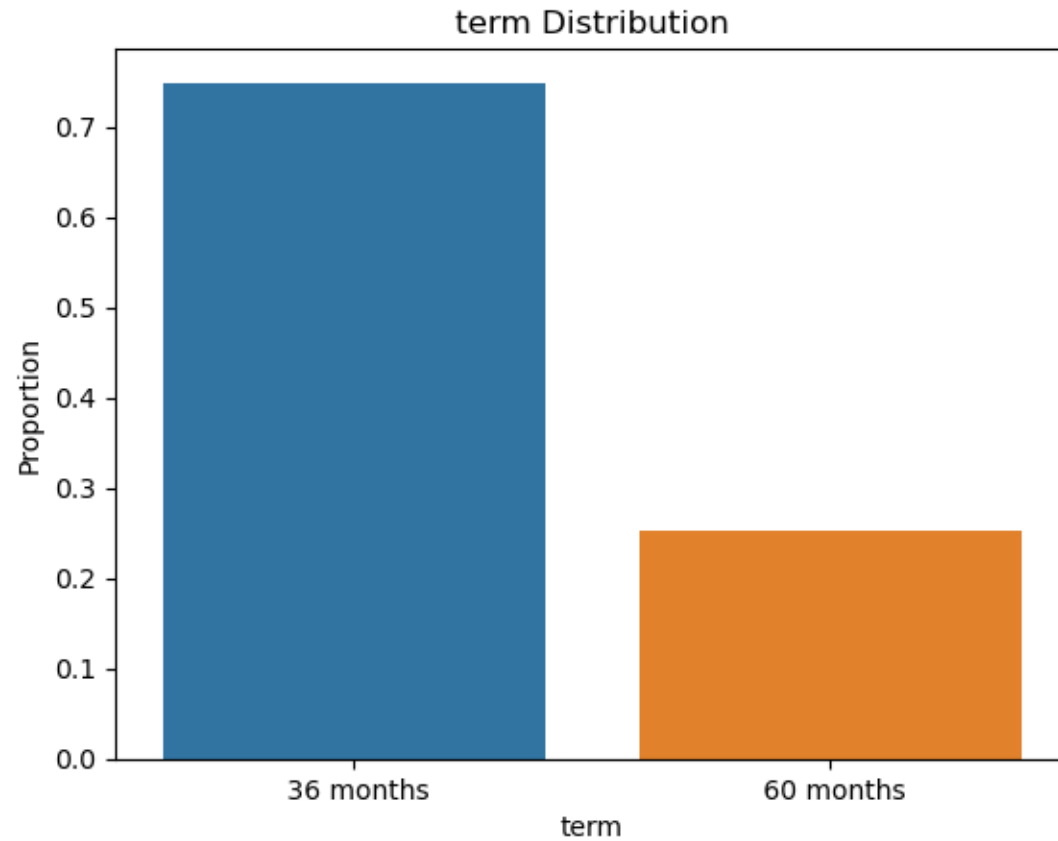
Borrowers with high DTI are more tended to default

Loan status distribution



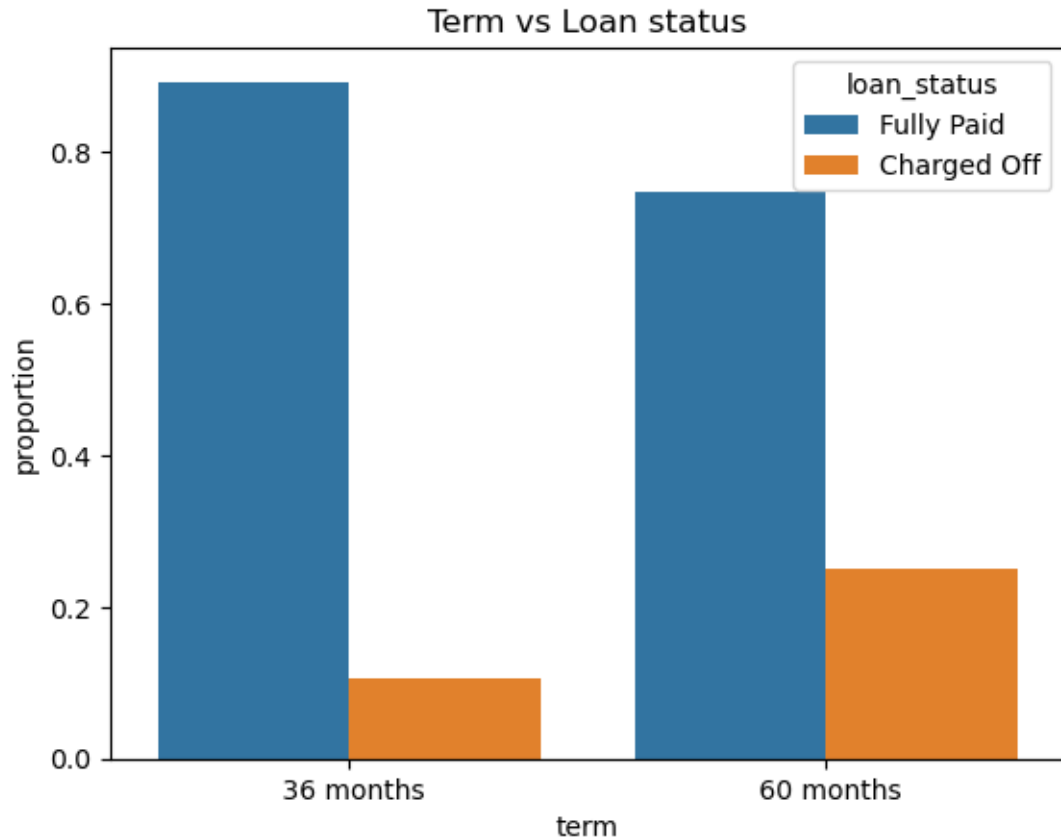
- Around 85% of the loans issued are Fully paid
- 15% of loans issued are defaulted

Term distribution



- Lending Club issue loans only on 2 terms.
- 36 months and 60 months

Default metrics



- Charged off Loans are more in for the tenure 60 months.

Conclusions

- Lending Club has doubled its expansion in issuing loans every year
- The last two quarters of the year are busier compared to the first two quarters.
- Around 85% of the loans issued are Fully paid 15% of loans issued are defaulted
- Lending Club issue loans only on 2 terms. 36 months and 60 months
- From the above analysis and charts, The Loan amount range from 500 - 35000 , most no. of loans issued are around the amount 10000
- Loans with a 36-month term have a higher default rate compared to those with a 60-month term.
- Loans with grades B, C, and D have a higher default rate compared to loans with other grades.
- The top 5 subgrades with the highest default rates are B5, B3, C1, B4, and C2.
- Borrowers who own their homes have a lower default rate compared to those who do not own a home.
- The state CA has the highest number of defaulters among all states.
- Individuals earning more than 30,000 are more inclined to default on their loans compared to those earning less than 30,000