Lending Club case study

Objective :

Identify the variables which would be the string indicator of applicants become defaulters

Business Understanding

There are two types of risks

1. applicant is**likely to repay the loan**, then not approving the loan results in a **loss of business** to the company
2. applicant is **not likely to repay the loan,** i.e. he/she is likely to default, then approving the loan may lead to a **financial loss** for the company

From the business understanding, we have to come up with variables to conclude that , applicants will pay or will not pay the loan amount

**From the Problem statement**

**consumer attributes** and **loan attributes** influence the tendency of default.

Task:

1. needs to identify the customer attributes and loan attributes
2. Identify different type of loan available and who opted for it – is there any similarity , or find out the pattern for paying or not paying (from the consumer attributer)