

PRESENTATION ON LEARNING CLUB CASE STUDY

BY

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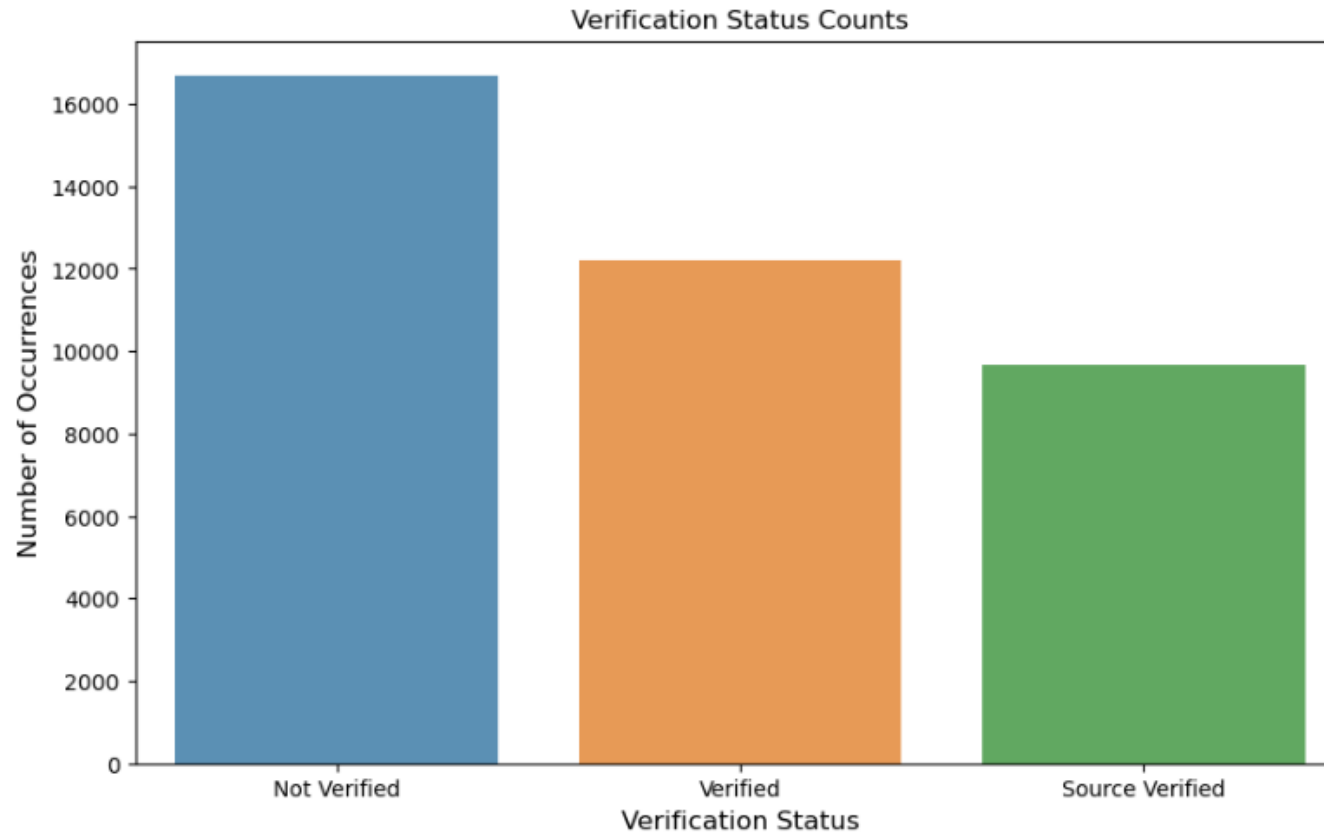
PURPOSE

The purpose of this credit risk analysis is to help the company to decide whether the loan application can be approved or rejected based on the applicant's profile. Which minimizes the loss of business/financial loss to the company.

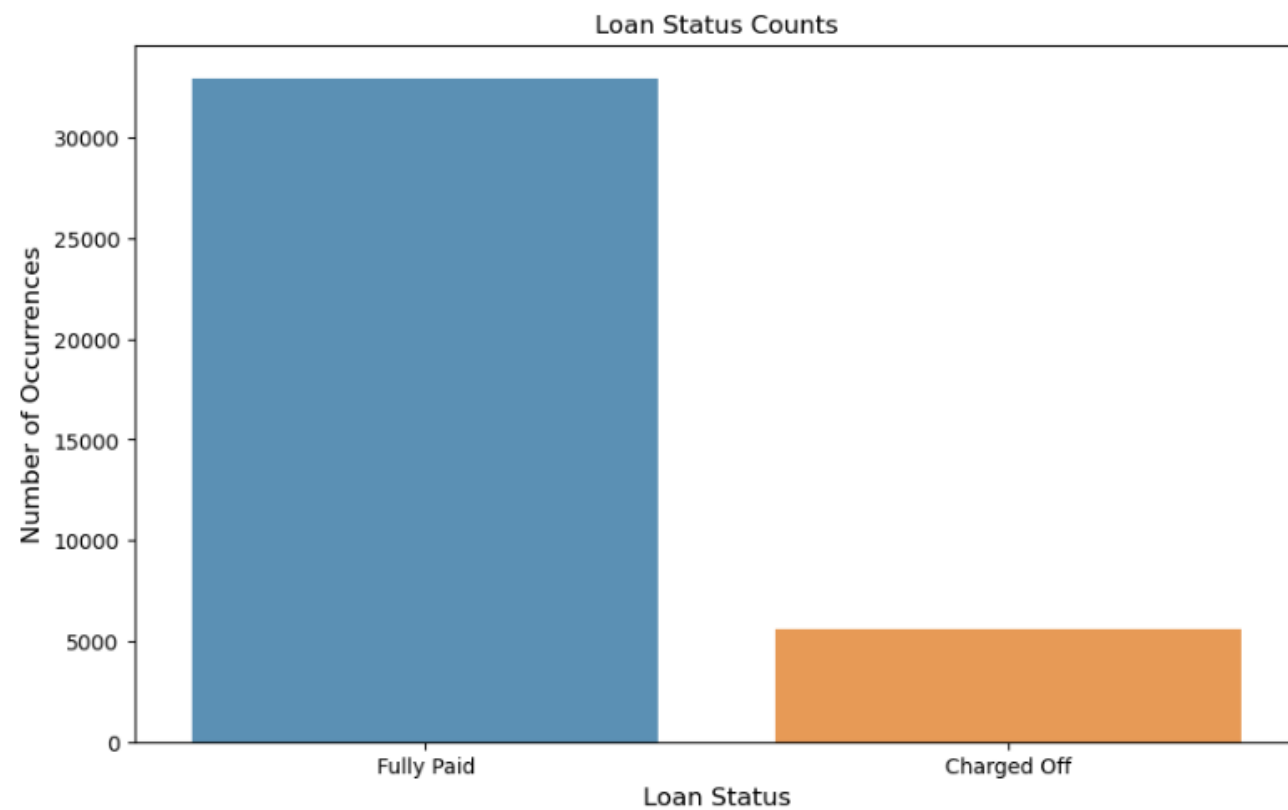
STEPS

- Understand the given data set
- Check the quality of data & binning
- Check for Data imbalance and Univariate & Bivariate Analysis
- Visual Representation for Analysis
- Observations based on the Analysis
- Recommendations & Risks

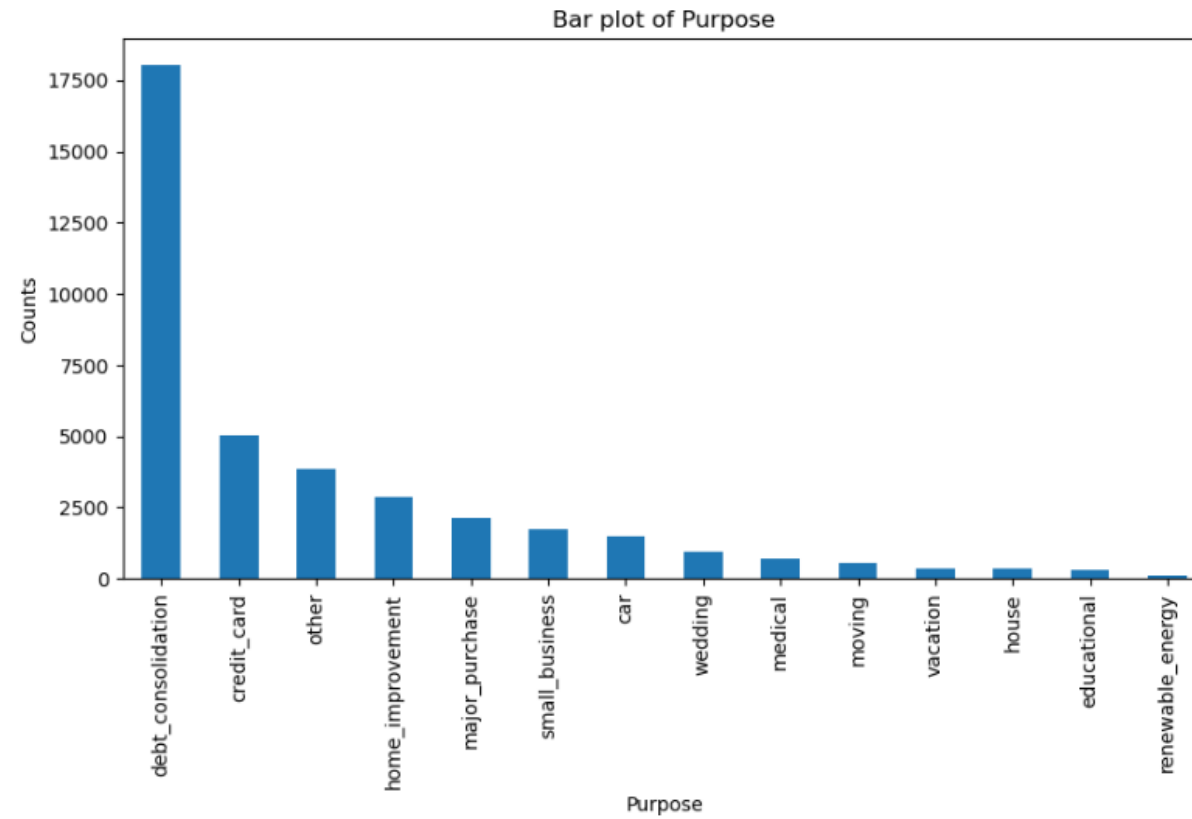
VERIFICATION STATUS OF LOAN



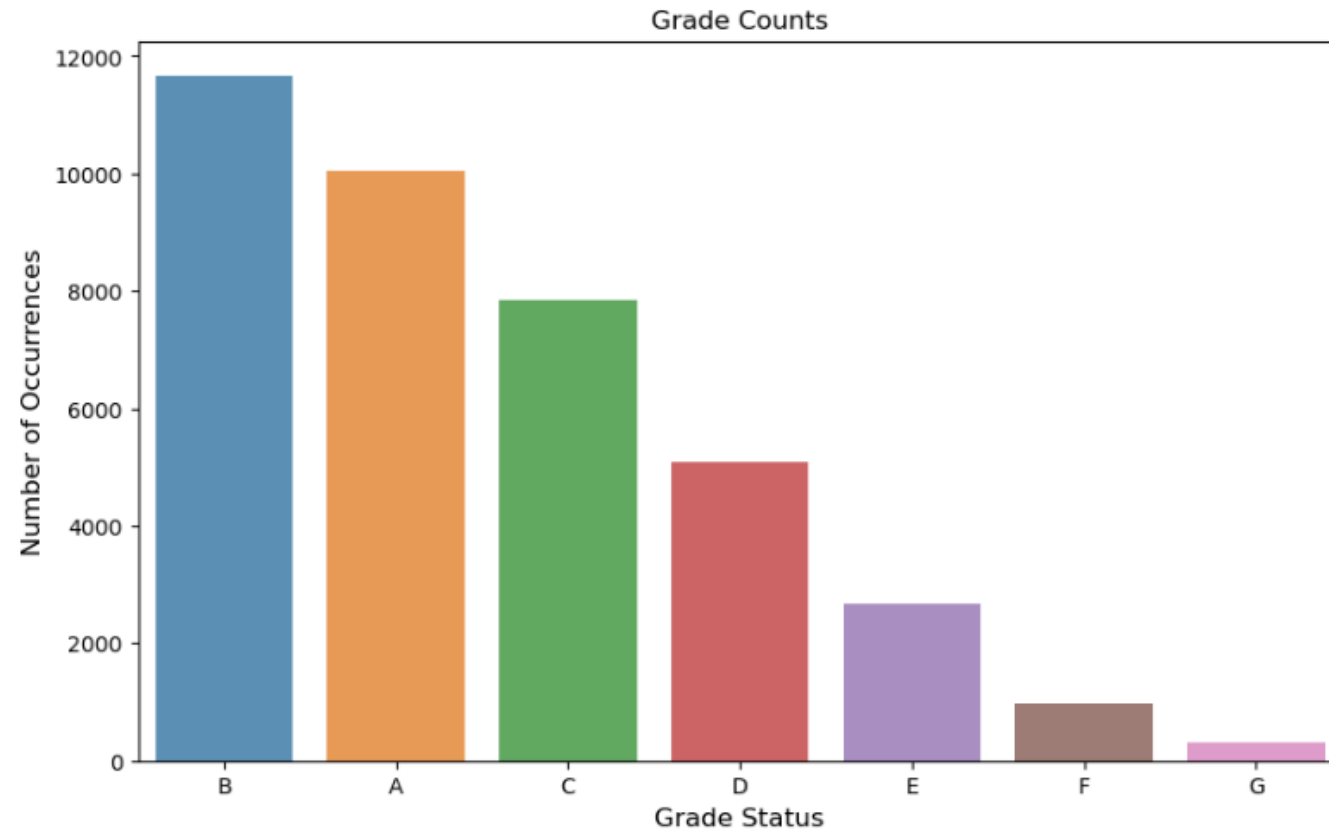
LOAN STATUS



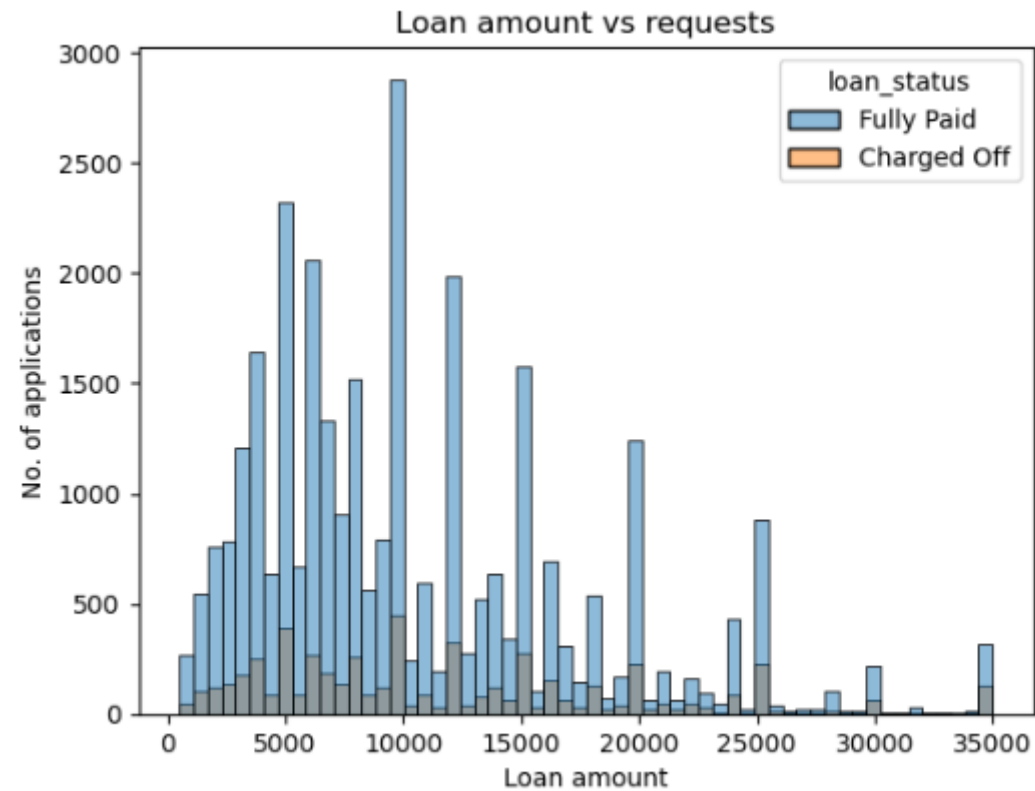
BAR PLOT OF PURPOSE



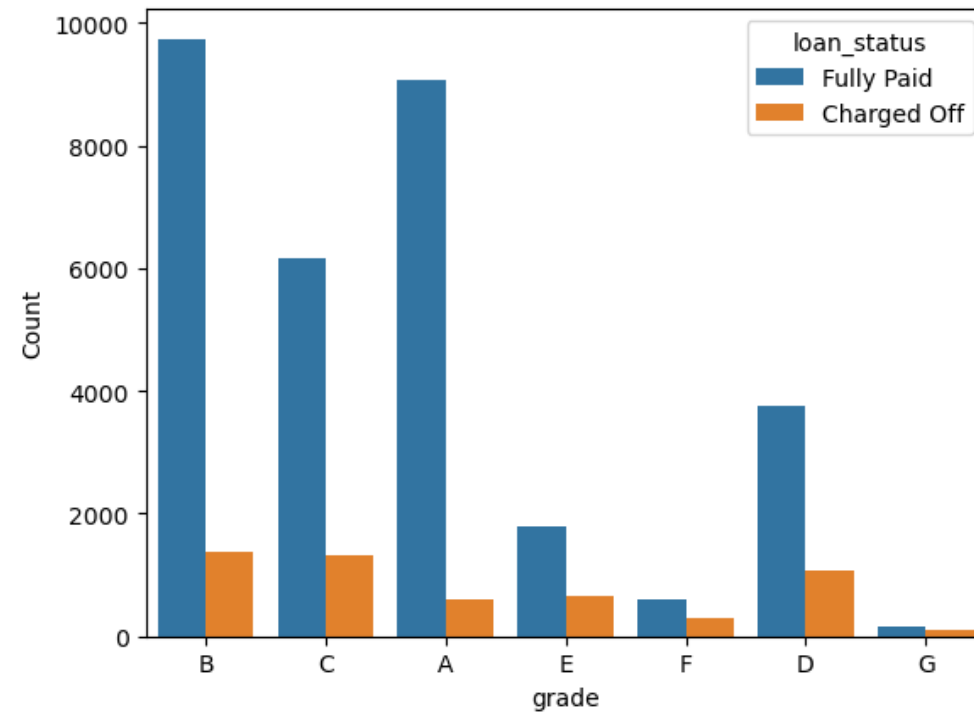
GRADES OF LOAN APPLICANTS



LOAN AMOUNT VS REQUEST

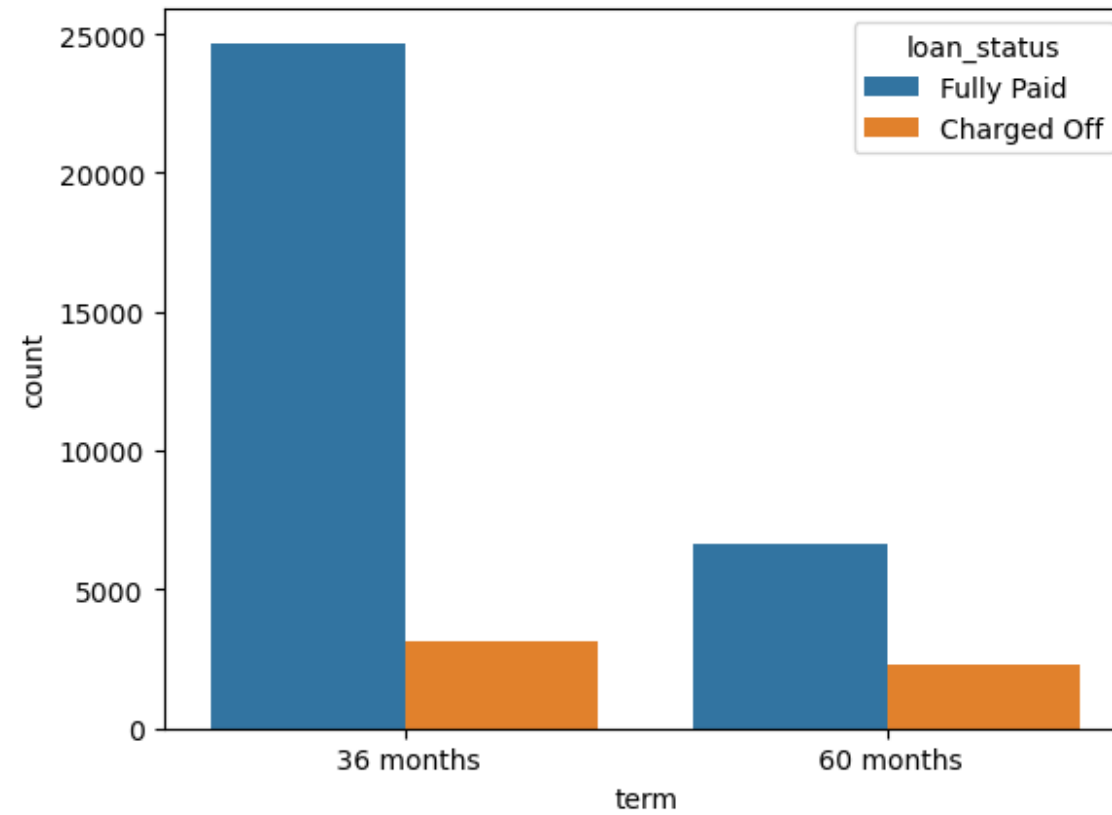


LOAN STATUS BY GROUPS

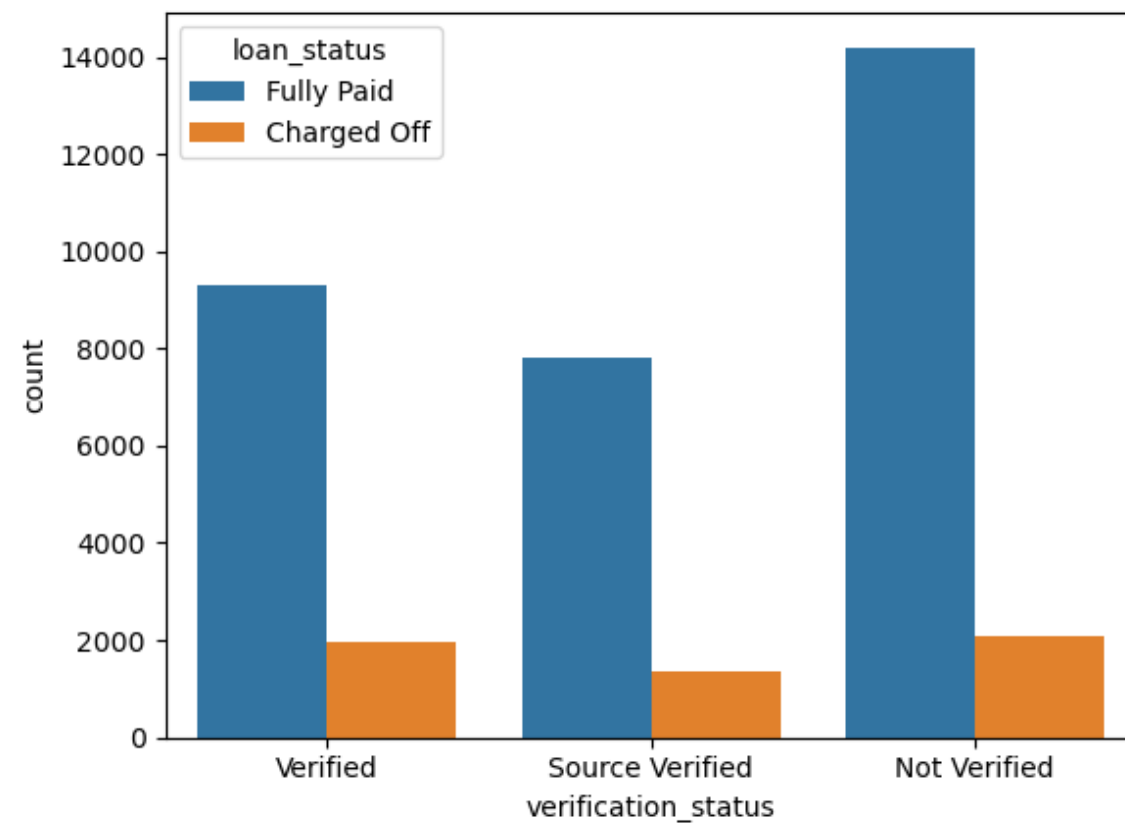


Most of the loan grades are **B** and **A** for fully paid loans, whereas it is **B** and **C** for charged off loans.

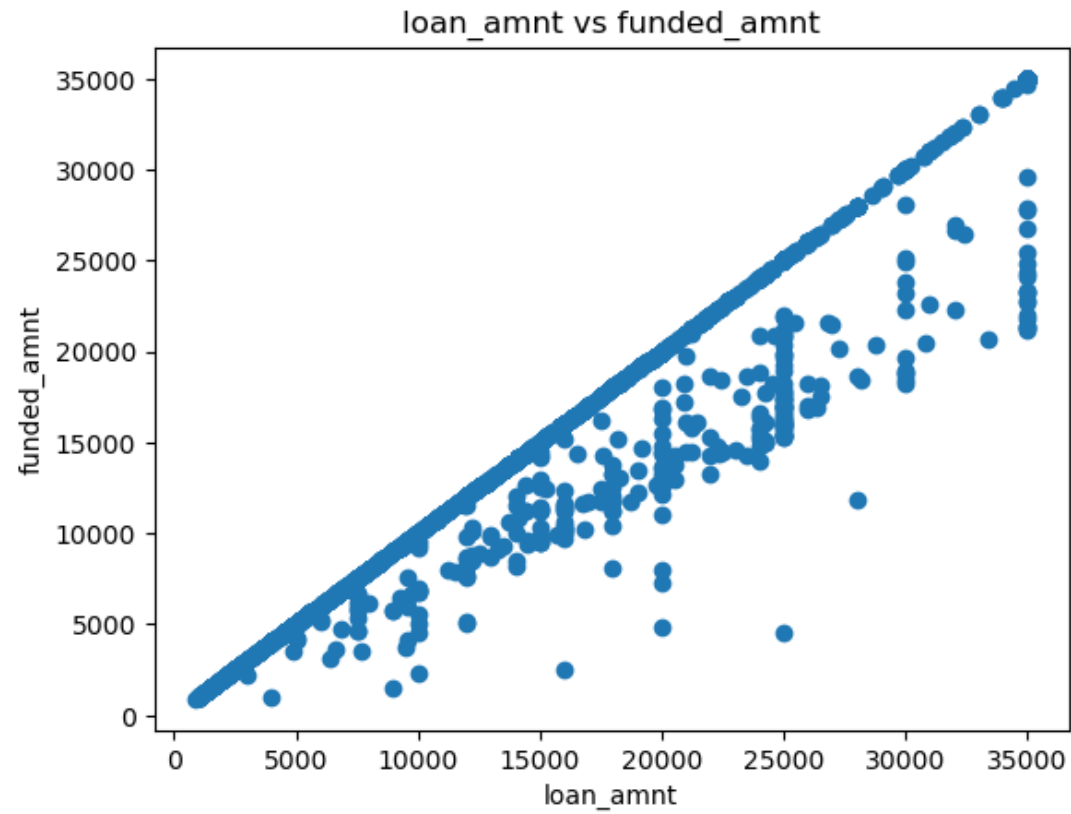
LOAN STATUS IN TERMS



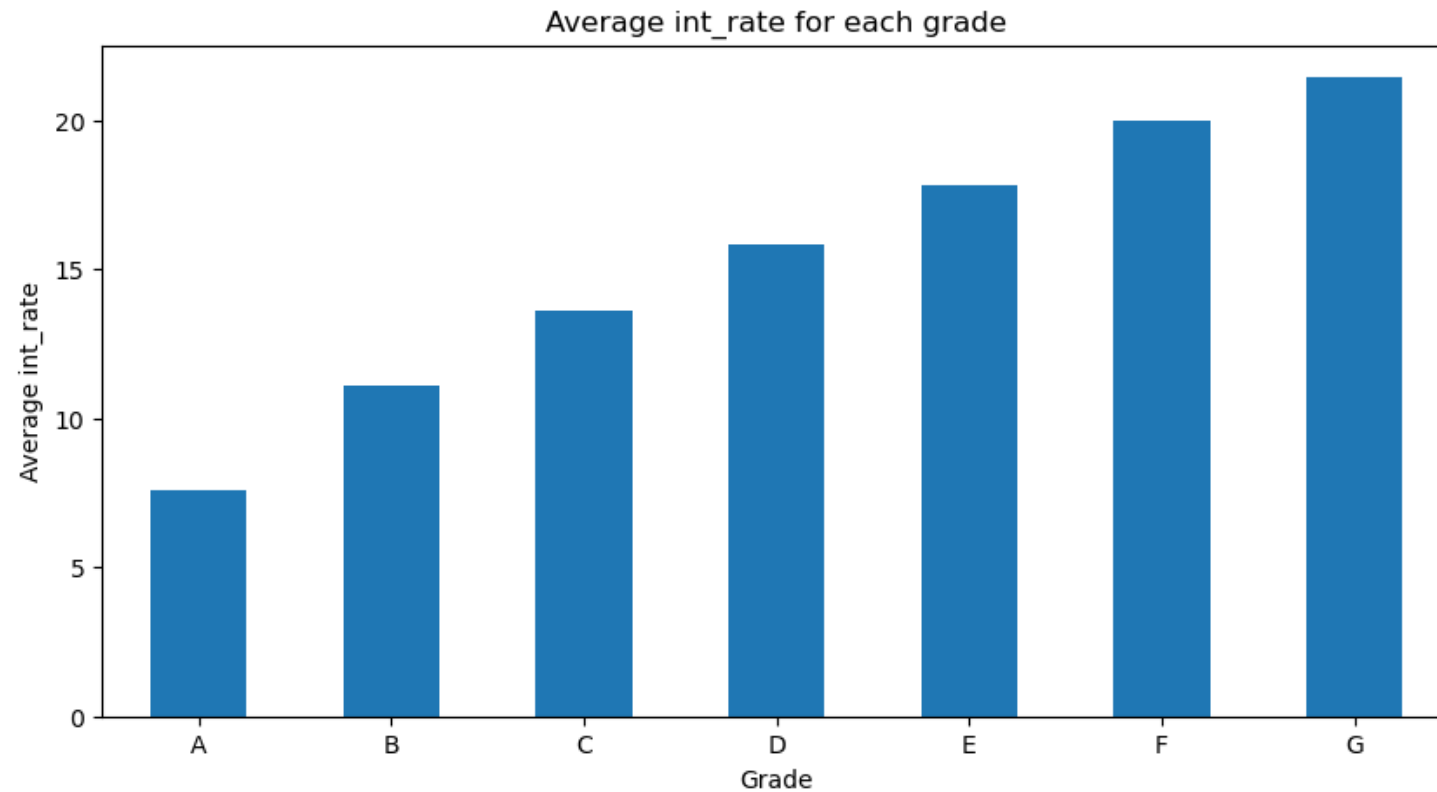
LOAN VERIFICATION STATUS



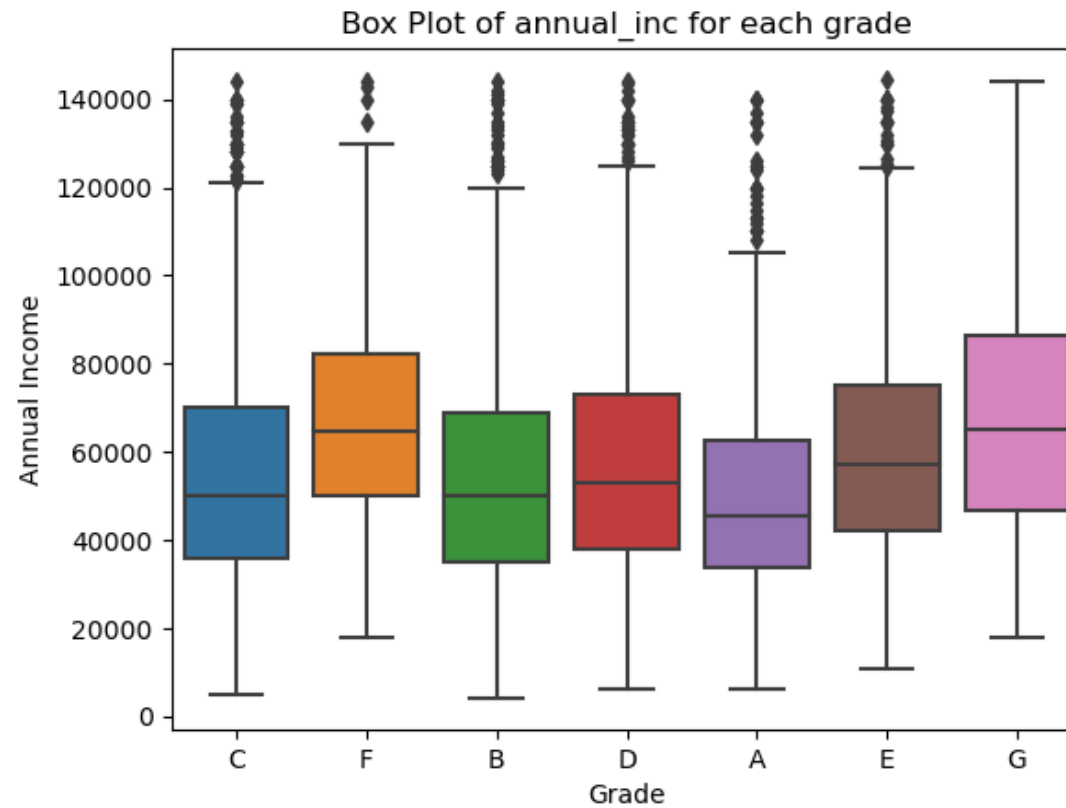
LOAN AMOUNT VS FUNDED AMOUNT



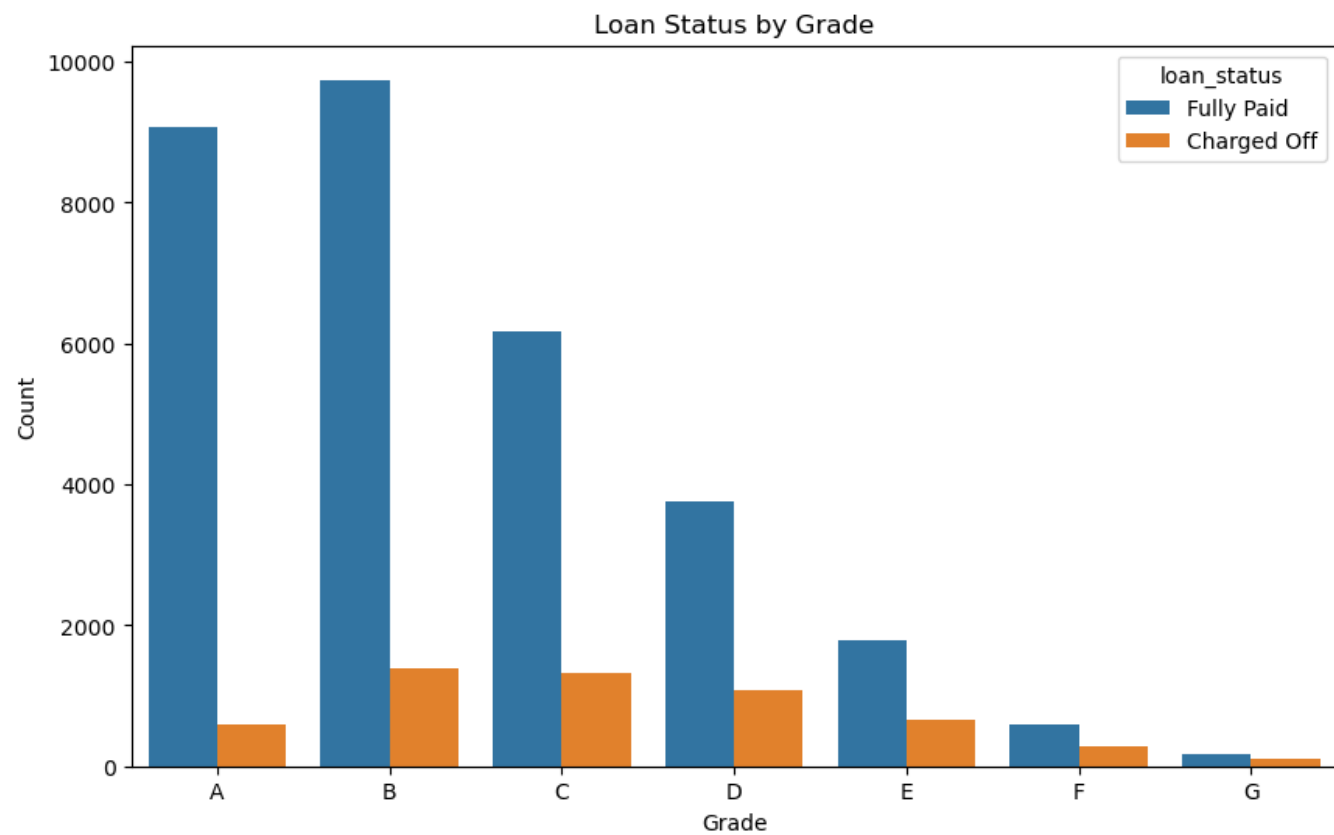
AVERAGE INTEREST RATE FOR EACH GRADE



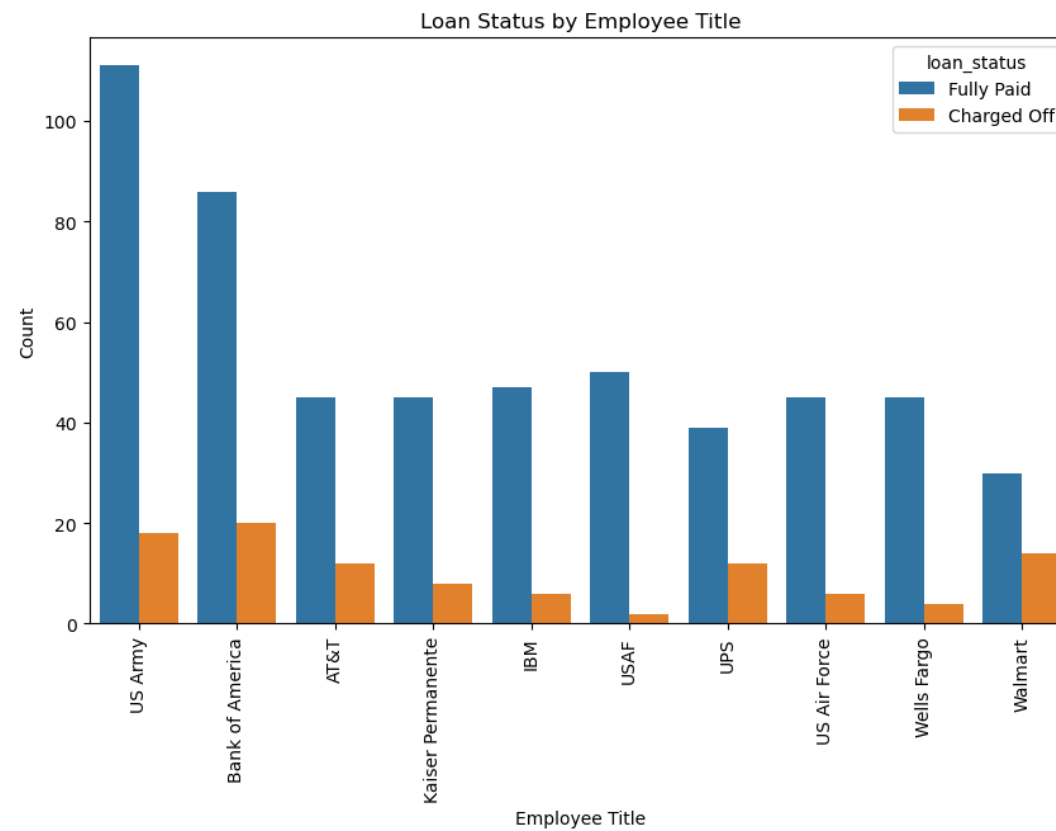
ANNUAL INCOME OF EACH GRADE FOR CHARGED OFF LOANS



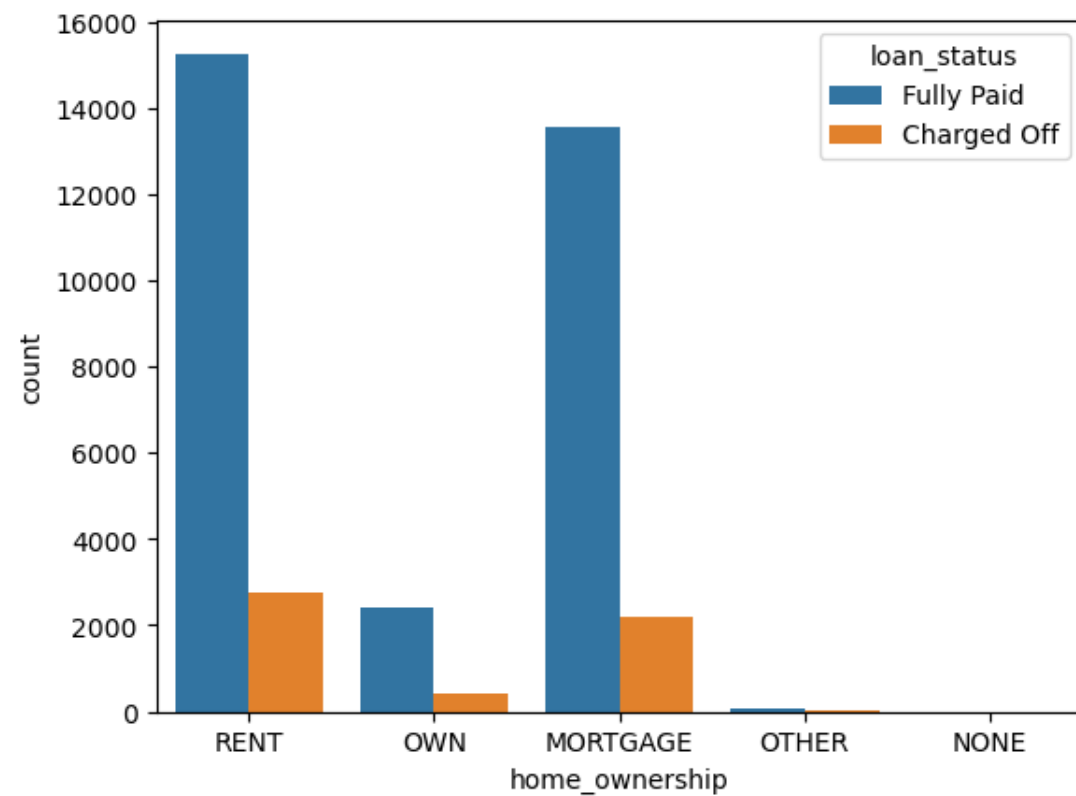
LOAN STATUS BY GRADE



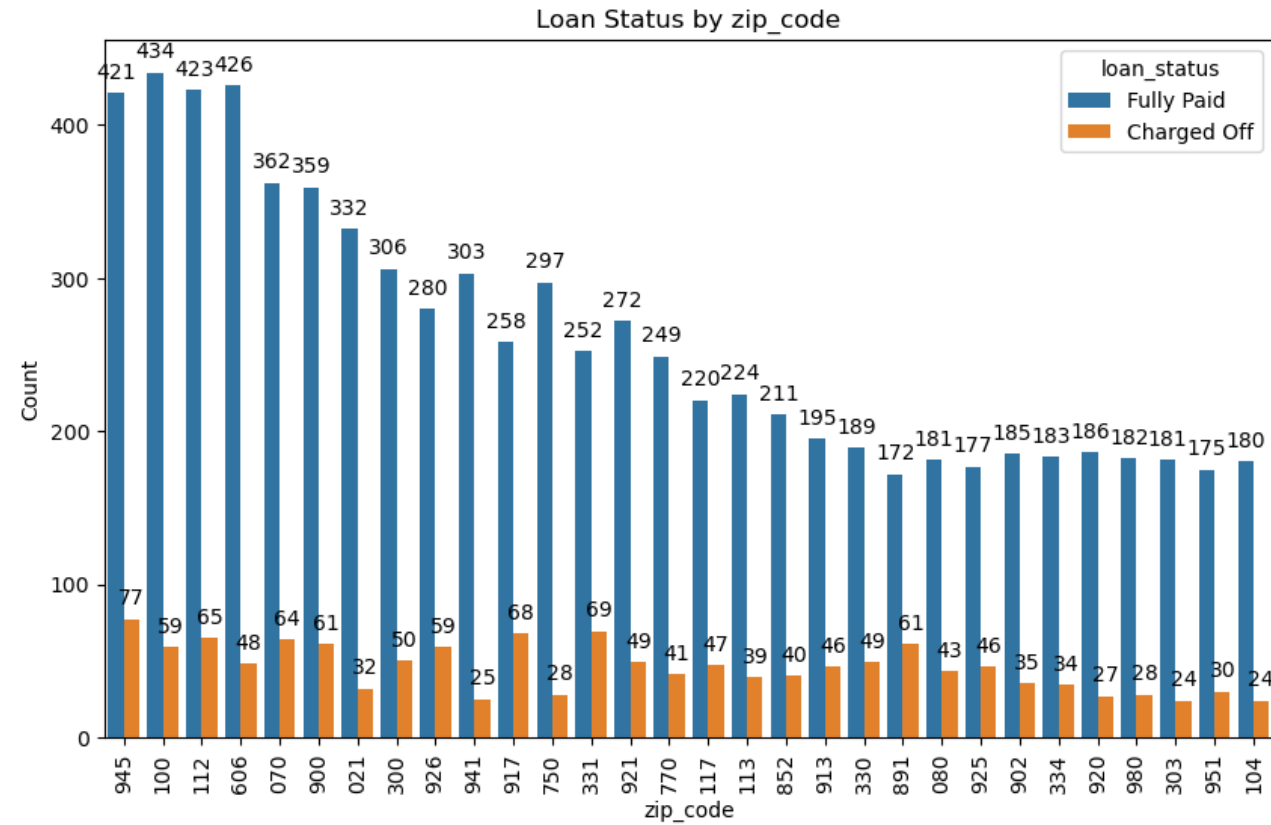
LOAN STATUS BY EMP TITLE



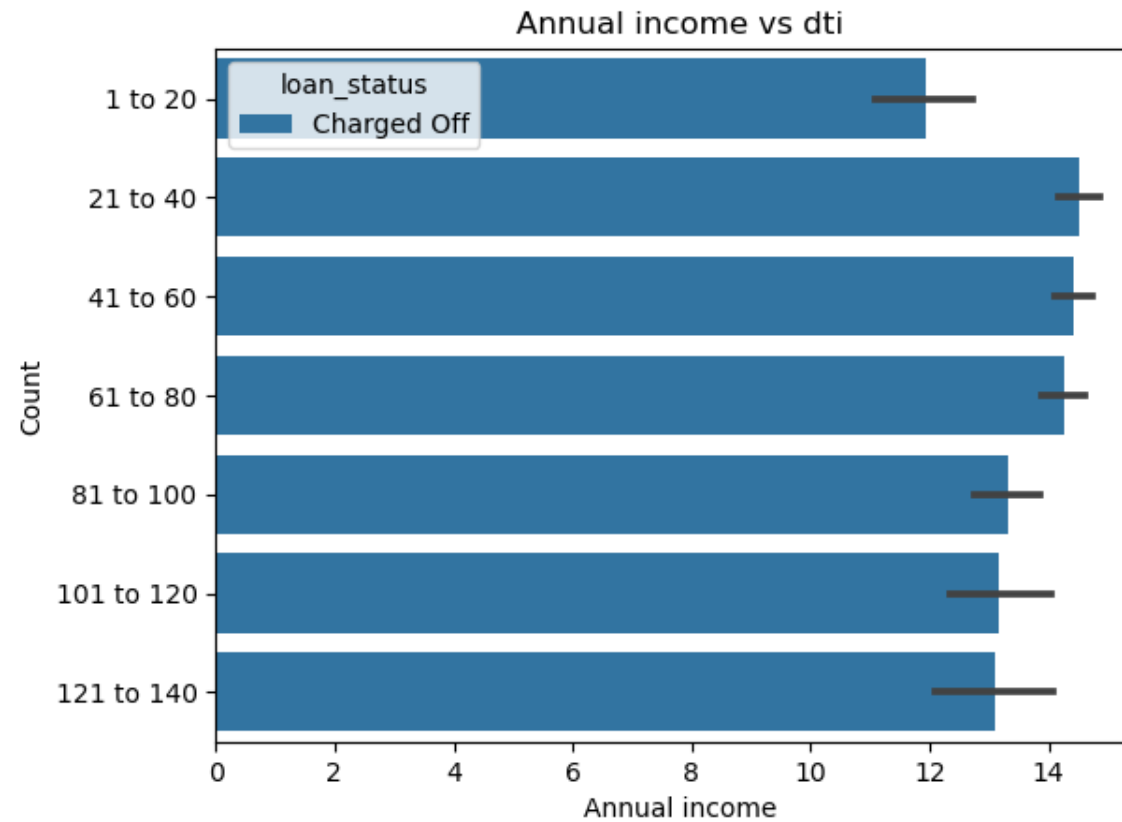
LOAN STATUS BY HOME TYPE



LOAN STATUS BY ZIP CODE



ANNUAL INCOME VS DTI



RECOMMENDED GROUP WHERE LOAN CAN BE APPROVED

- Clients who are opting for 36 months tenure has high loan repaid rate.
- Clients with Rented homes & Mortgage.
- Grade A, B & C has highest repaid rate.
- US Army, Bank of America & USAF has high repaid rate.
- 100, 112, 606 & 945 zip codes have high repaid rate.
- Loans with interest rate 7.5-8% have higher repaid rate compared to the charged off loans which have interest rate of 11% or above.

RISKY GROUP

- Group E, F & G.
- Walmart employees.
- 891 & 925 zip codes have highest charged off rate.
- Applicants with DTI 17 have more chance of charged off loans.
- Most of the charged off loans have annual income in the range 21000 to 80000 and DTI more than 14.
- Interest is observed to be more than 11% for charged off loans.