**Scope of Work for Lending Club Final Project**

Prepared by Group #19

Fernando Trias, fernando@trias.org

Hyounjun Park, junparkh@gmail.com

Siyuan Yin, siy422@g.harvard.edu

Roger Iliffe, rogerjiliffe@gmail.com

# **Project Statement and Background**

Lending Club is a US based personal financial company that offers peer-to-peer lending system. They are the world's largest peer-to-peer lending platform. The company claims that about $30 billion in loans had been originated through its platform up to 2017.

Lending Club allow borrowers to make unsecured personal loans up to $40,000. The standard loan period is three years. Investors can find and review the loan listings on their Lending Club market place and determine that how much they are willing to fund in based on the information supplied about the borrower, amount of loan, loan grade, and loan purpose. Investors make money from interest. Lending Club makes money by charging borrowers an origination fee and investors a service fee.

Similar to many other type of loan and investment company, Lending Club has a possibility of discrimination or unfair lending practices by borrower’s personal information. However, Lending Club follows the FDIC laws that they makes loan without discrimination. So our model would cover the issue of discrimination in Lending Club and consider fairness.

Project Goal : Using loan and declined loan data set from 2007 to 2018 Q1, build a data-based model to predict and evaluate Loan investment data. Our model would consider fairness between the borrowers and declined people.

# **Literature Review**

* A
* B

# **Available resources/data**

The data from Lending Club is available to use in their website. They have updated data from 2007 to 2018 1Q.

**1. Loan Data**

These files contain complete loan data for all loans issued through the time period stated,

including the current loan status (Current, Late, Fully Paid, etc.) and latest payment information.

The file containing loan data through the “present“ contains complete loan data for

all loans issued through the previous completed calendar quarter.

**2. Declined Loan Data**

These files contain the list and details of all loan applications that did not meet Lending

Club’s credit underwriting policy.

Our data is stored in the Lending Club Website

: <https://www.lendingclub.com/info/download-data.action>

# **Preliminary EDA**

A simple visualization.