What Is Loan Grading?

Loan grading is a classification system that involves assigning a quality score to a loan based on a borrower's [credit history](https://www.investopedia.com/terms/c/credit-history.asp), quality of the [collateral](https://www.investopedia.com/terms/c/collateral.asp), and the likelihood of repayment of the principal and interest. A score can also be applied to a portfolio of loans. Loan grading is part of a lending institution's loan review or credit risk system and is usually an aspect of the credit underwriting and approval processes.

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| funded\_amnt | The total amount committed to that loan at that point in time. |
| funded\_amnt\_inv | The total amount committed by investors for that loan at that point in time. |

Doubt

What is difference between funded\_amnt and funded\_amnt\_inv?