

How to get loans funded on Kiva



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Problem

- 850,000 loans (\$682 million) funded by 2 million lenders around the world on Kiva
- Kiva loans expire if not funded in 30 days
- Microfinance organizations need to determine which features make loans more likely to get funded



Borrowers

Microfinance
organizations



Kiva.org

Feature Engineering

GROUPS OR INDIVIDUAL

- ☒ Groups
- ☐ Individuals

ATTRIBUTES

- ☐ Green
- ☐ Higher Education
- ☐ Islamic Finance
- ☐ Youth
- ☐ Start-Up
- ☐ Water And Sanitation
- ☐ Vulnerable Groups
- ☐ Fair Trade
- ☒ Rural Exclusion
- ☐ Mobile Technology
- ☐ Underfunded Areas
- ☐ Conflict Zones

GENDER

- ☐ Male
- ☒ Female



Country

Sector

Activity

Loan amount

Mary's Group



Kenya

Agriculture

Farming

A portion of Mary's Group's \$875 loan helps a member to purchase hybrid seeds and fertilizer to improve harvests of maize.

[Read their story »](#)

Funding via One Acre Fund

Loan Use: Vector of Terms

Repayment Term

Repayment Schedule

14 months (Additional Information)

Monthly

Currency Exchange Loss:

Possible

Model

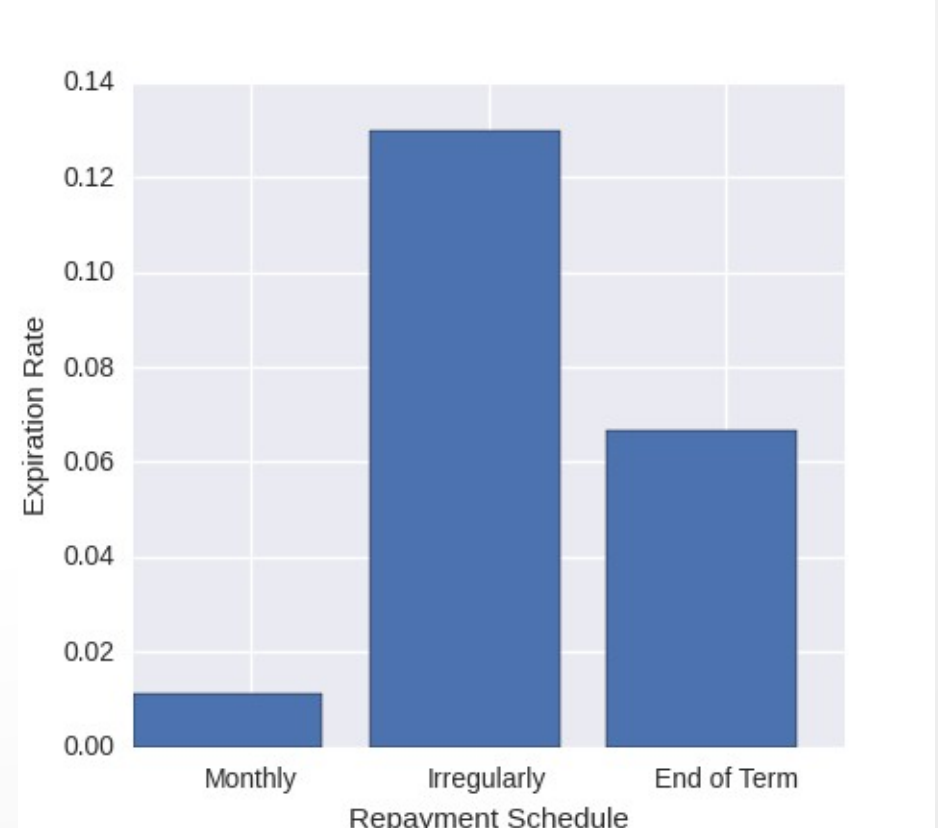
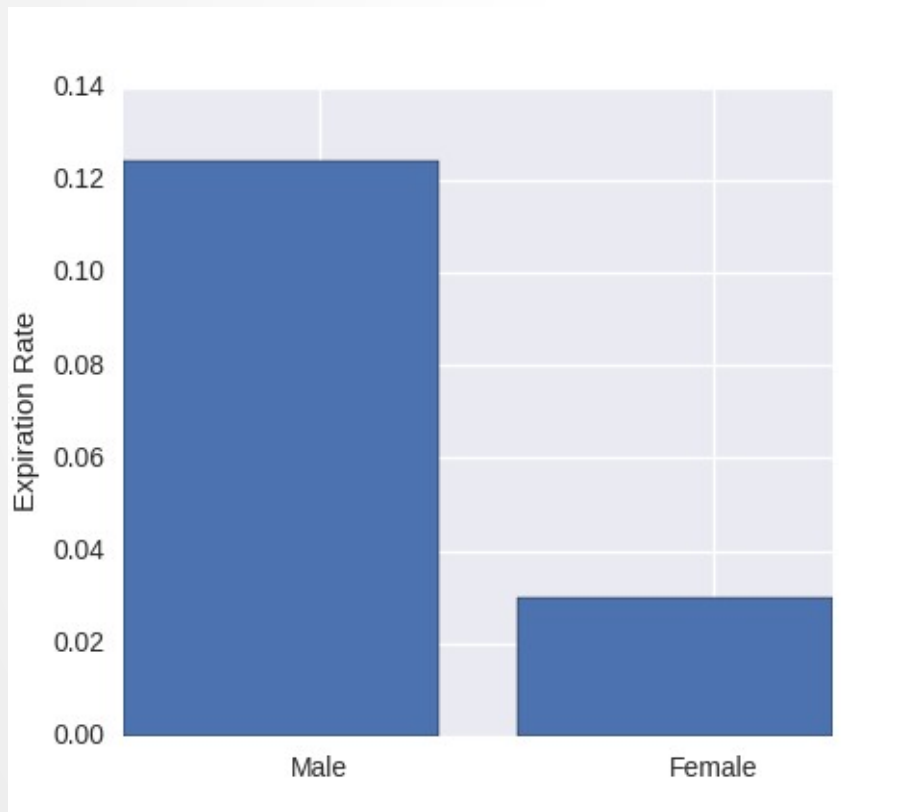
- Random Forest
- Unbalanced classes: weighted samples of expired loans
- Tuned model to avoid overfitting
- Trained model on April – Sep. 2014 loans
- Tested model on Nov 2014 loans

Results

	Predicted High Risk	Predicted Low Risk
Expired	38.8% expired	1.5% expired
Funded	61.2% funded	98.5% funded

Keys to getting funded

- Loans to women
- Loans with monthly payments



Keys to getting funded

- Smaller loans and shorter repayment terms
- Agriculture and education best, housing and personal expenses did poorly
- Group loans over individual loans
- Shorter text is better