

The background features a large, light gray watermark of the upGrad logo, which consists of the word "upGrad" in a sans-serif font above a stylized white arrow pointing upwards and to the right.

# Lending Club Case Study

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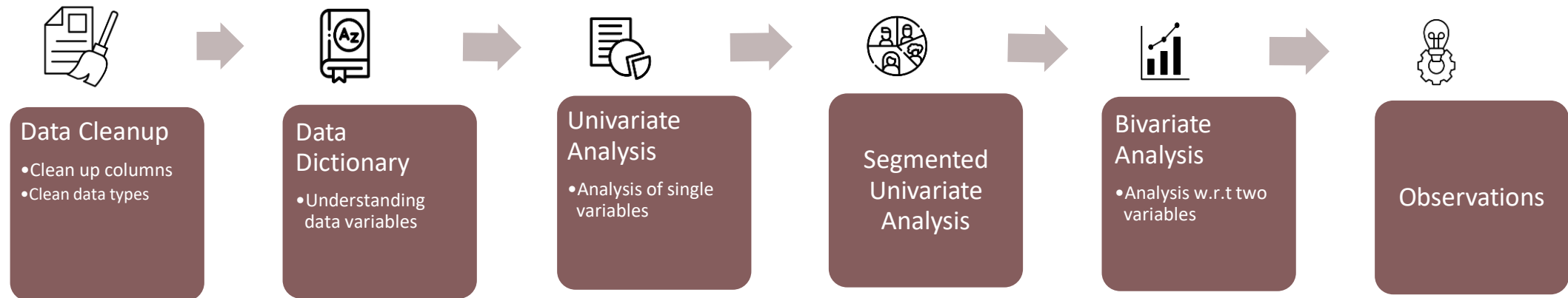
CHAITANYA NAMBURU

PRITISH PANDA

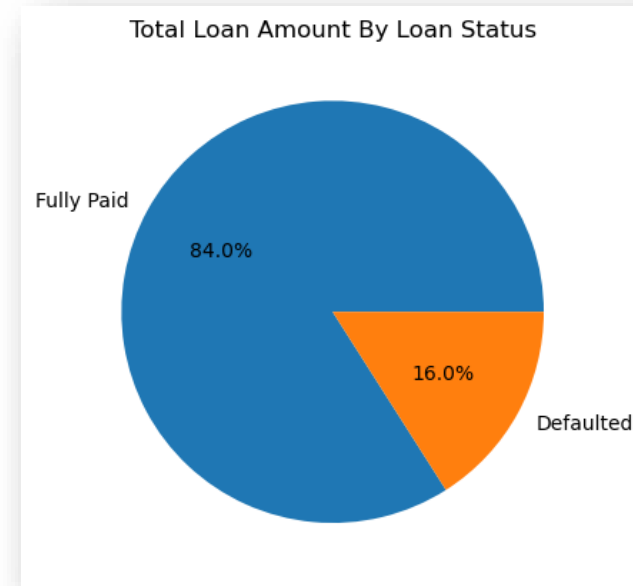
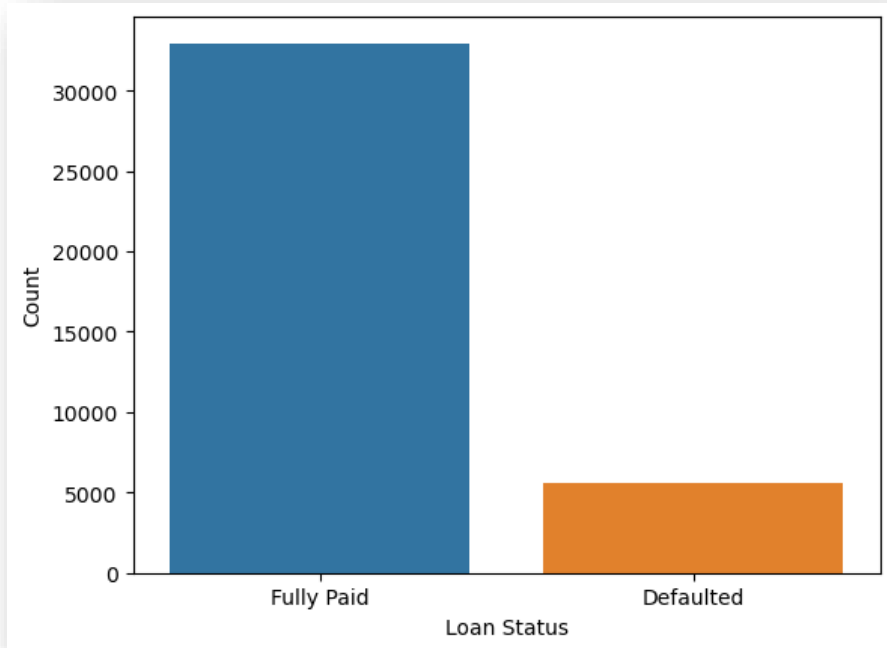
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# Approach for case study

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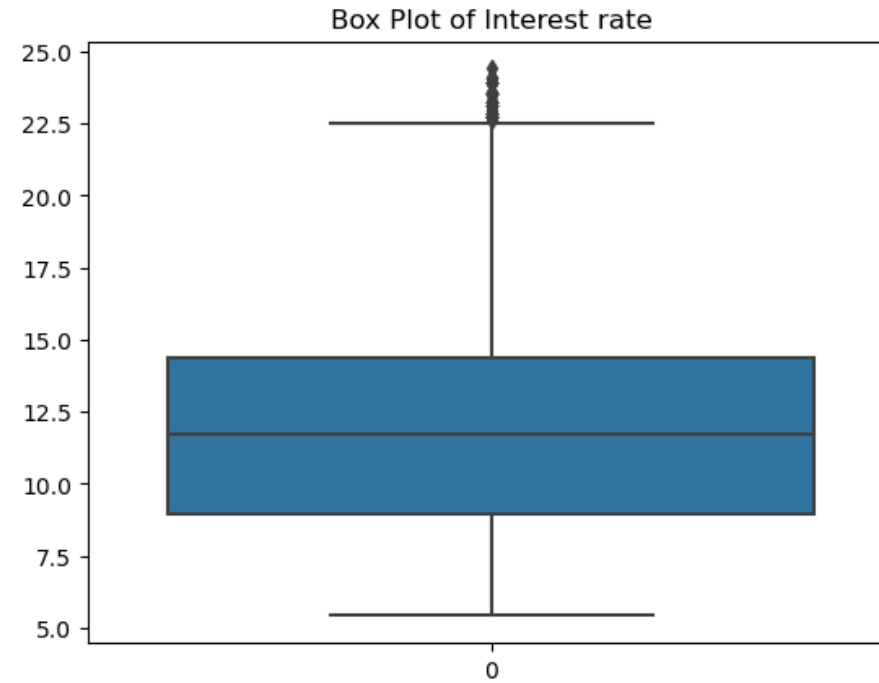
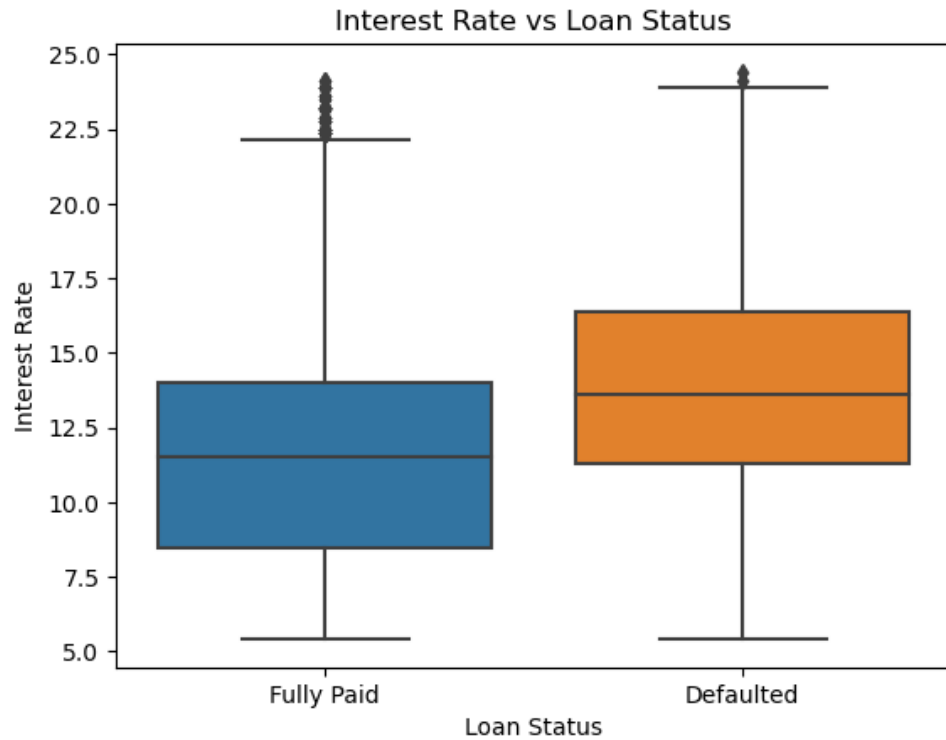


## Overall Loan Status



The overall loan status of Lending Club seems to be healthy. The total number of defaulted loans is far lesser than the fully paid loans, which bodes well for the organization. There is a total amount of 16% which was defaulted across the loans

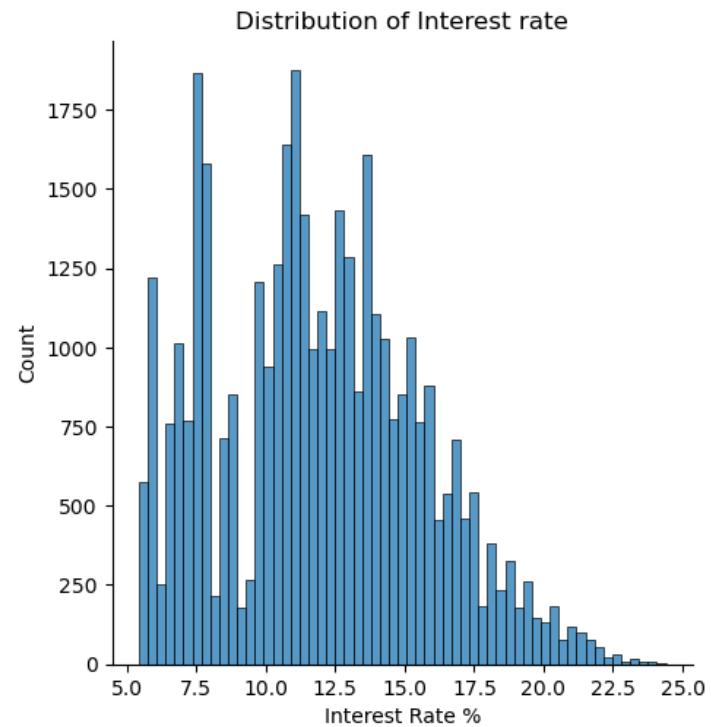
## Interest Rate



Interest rate seems to play an important role in determining loan status. The loans with higher interest rate defaulted more than those with lesser rates

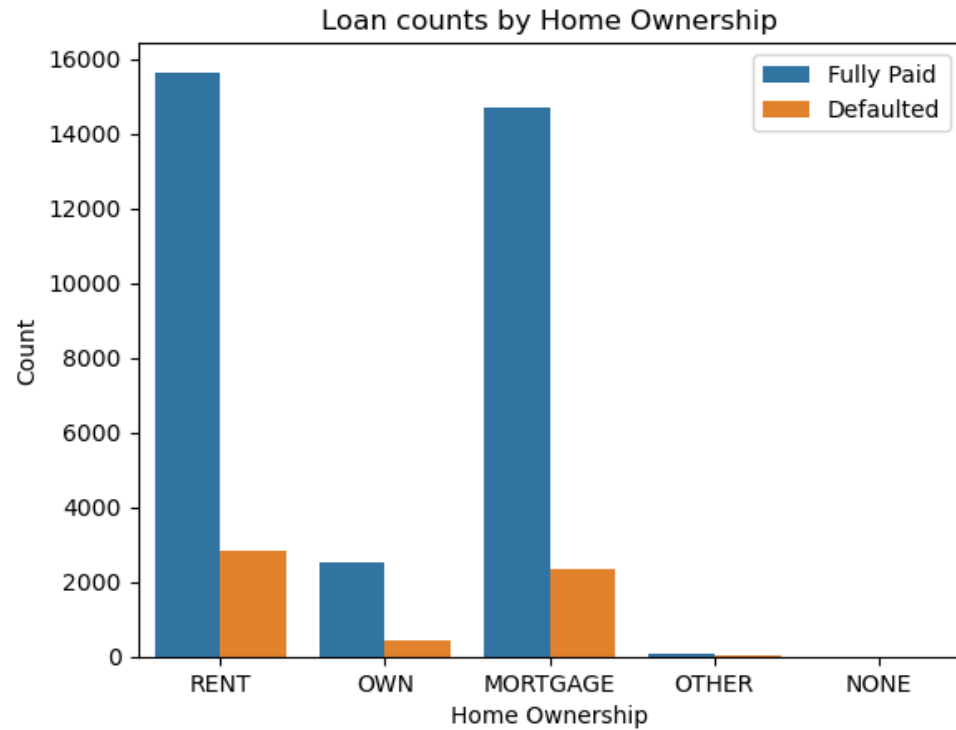
## Interest Rate (contd.)

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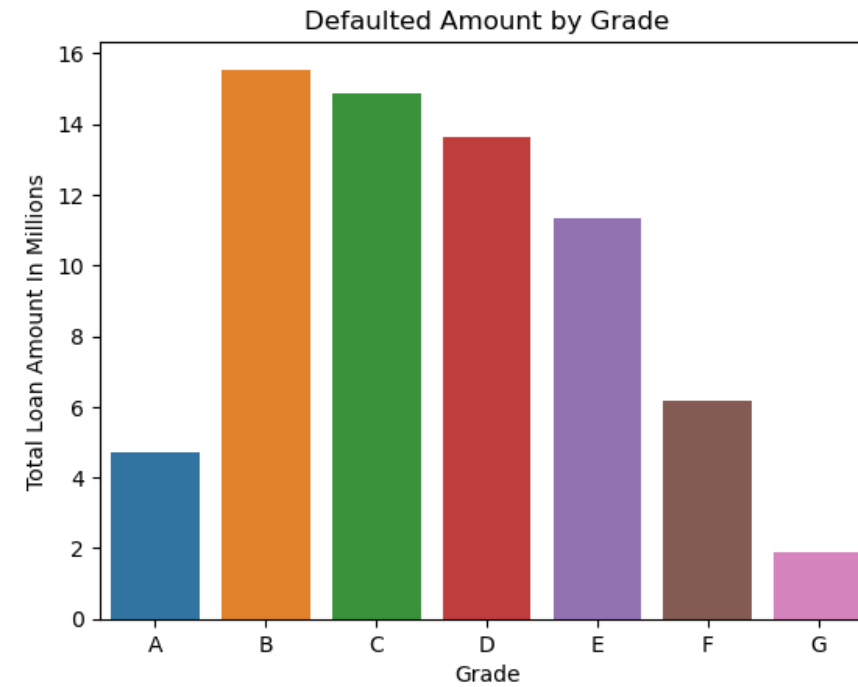
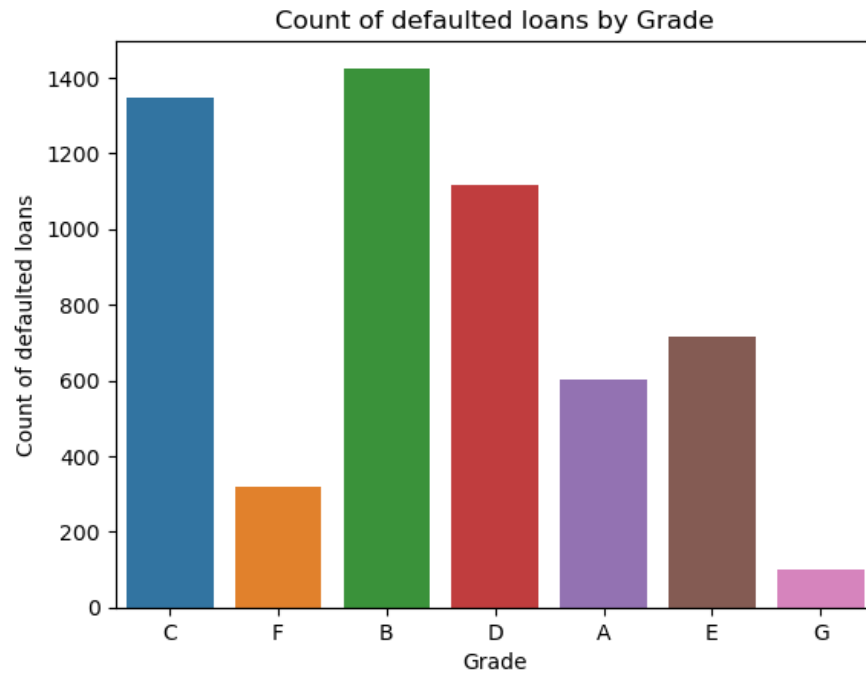
There is a wide distribution of interest rates in the organization.

# Home Ownership



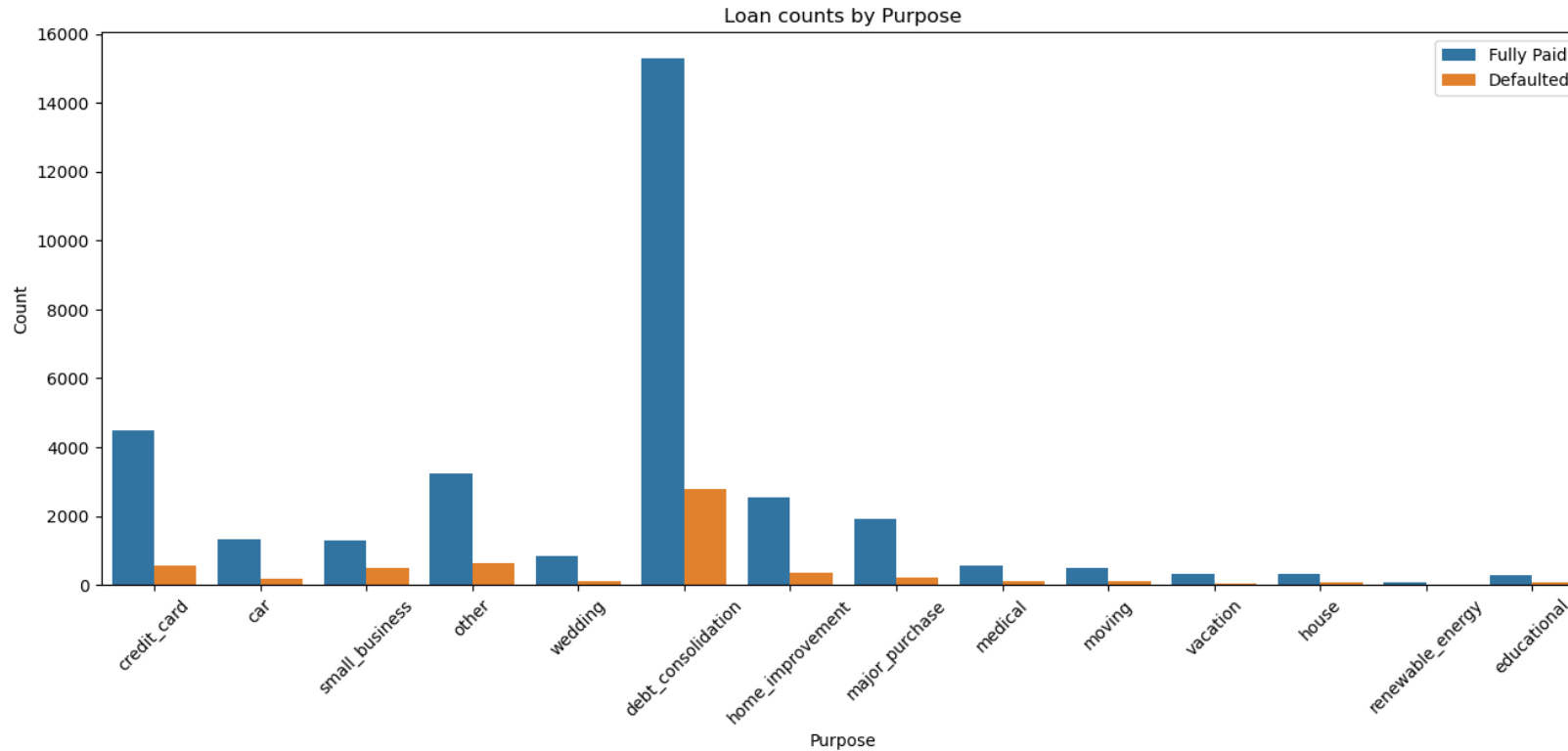
Homeowners seem to have very less default percentage. There is a higher percentage of defaulters in renters and mortgage payers

# Grade



Grade is a useful measure in estimating the loan risk. B/C/D categories of loans are causing much default count and default amount also

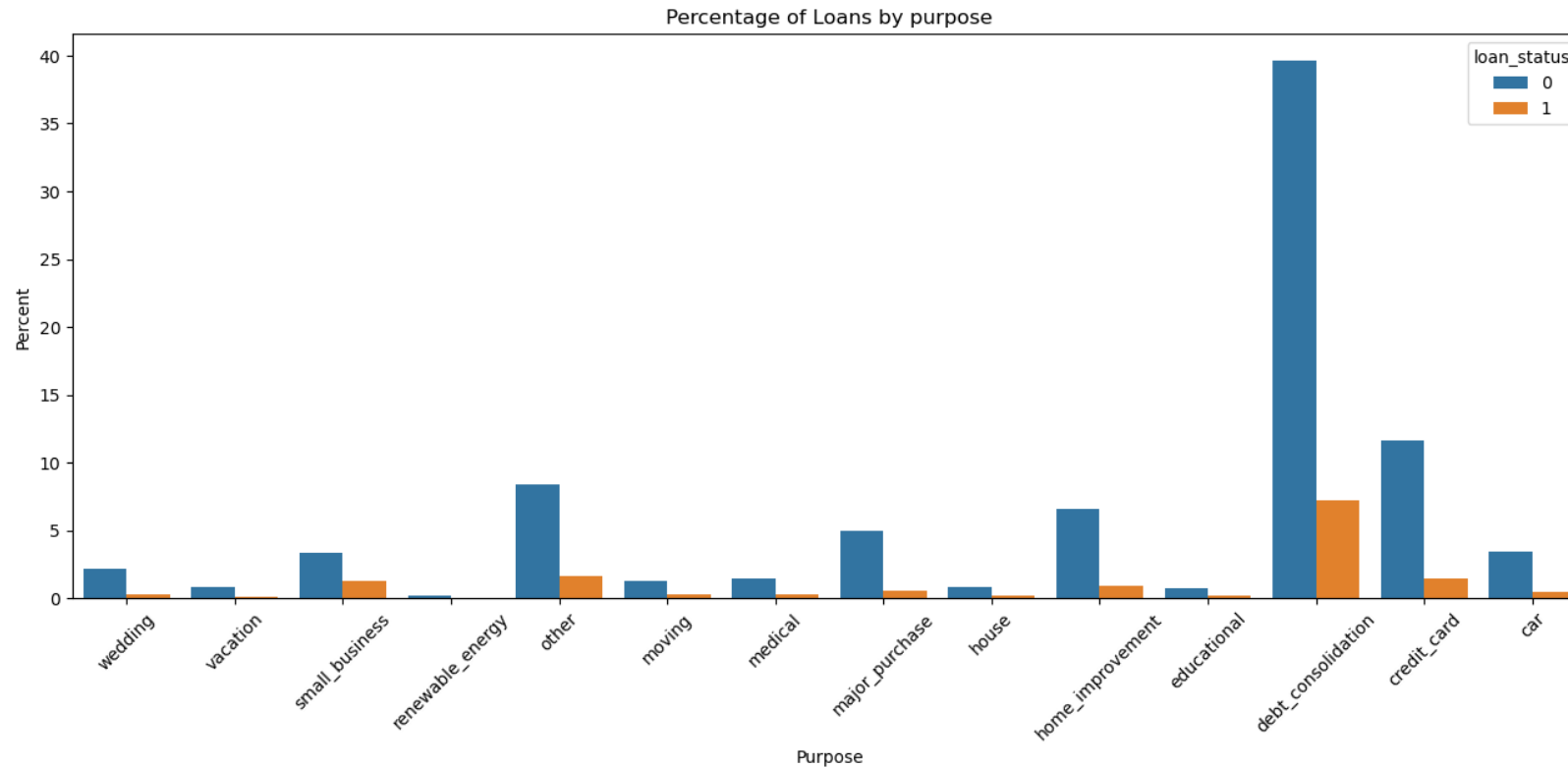
# Purpose



Purpose is also a helpful categorization. The highest number of defaults are coming from “debt consolidation” purpose which is also the highest number of loans

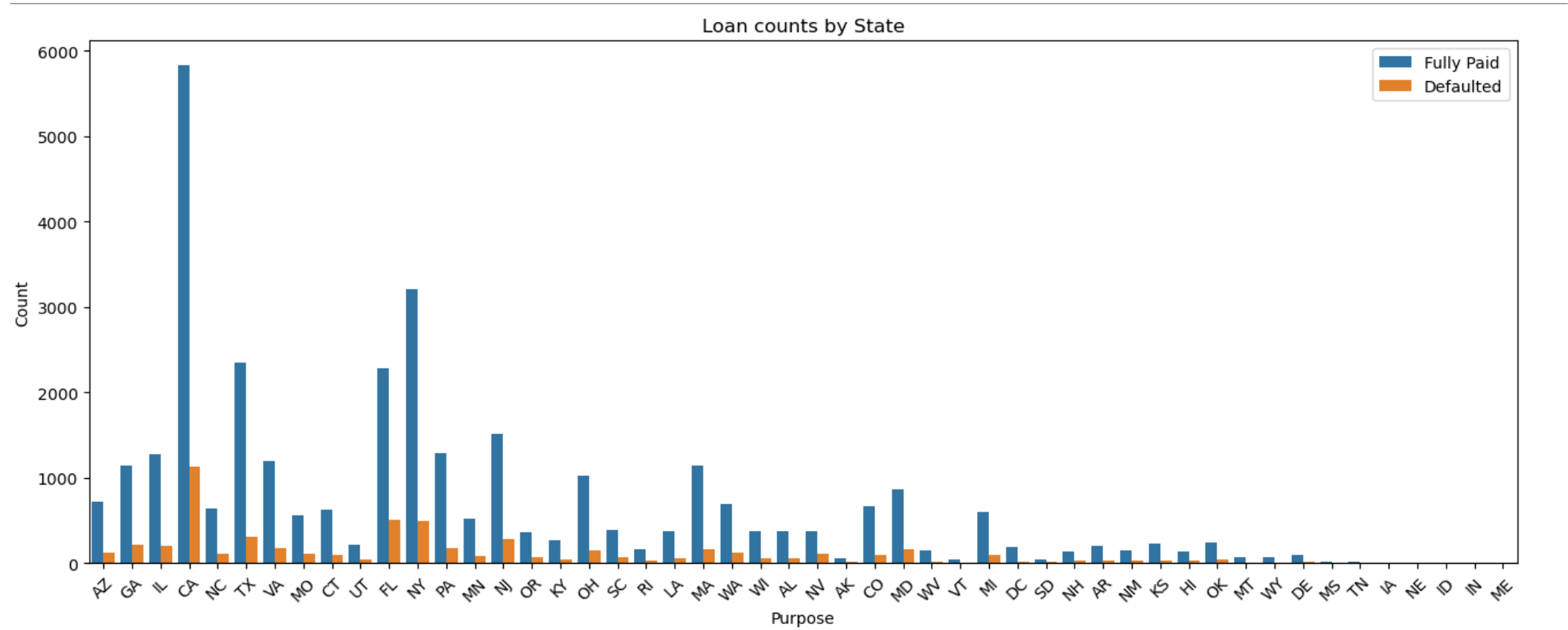


## Purpose (contd.)



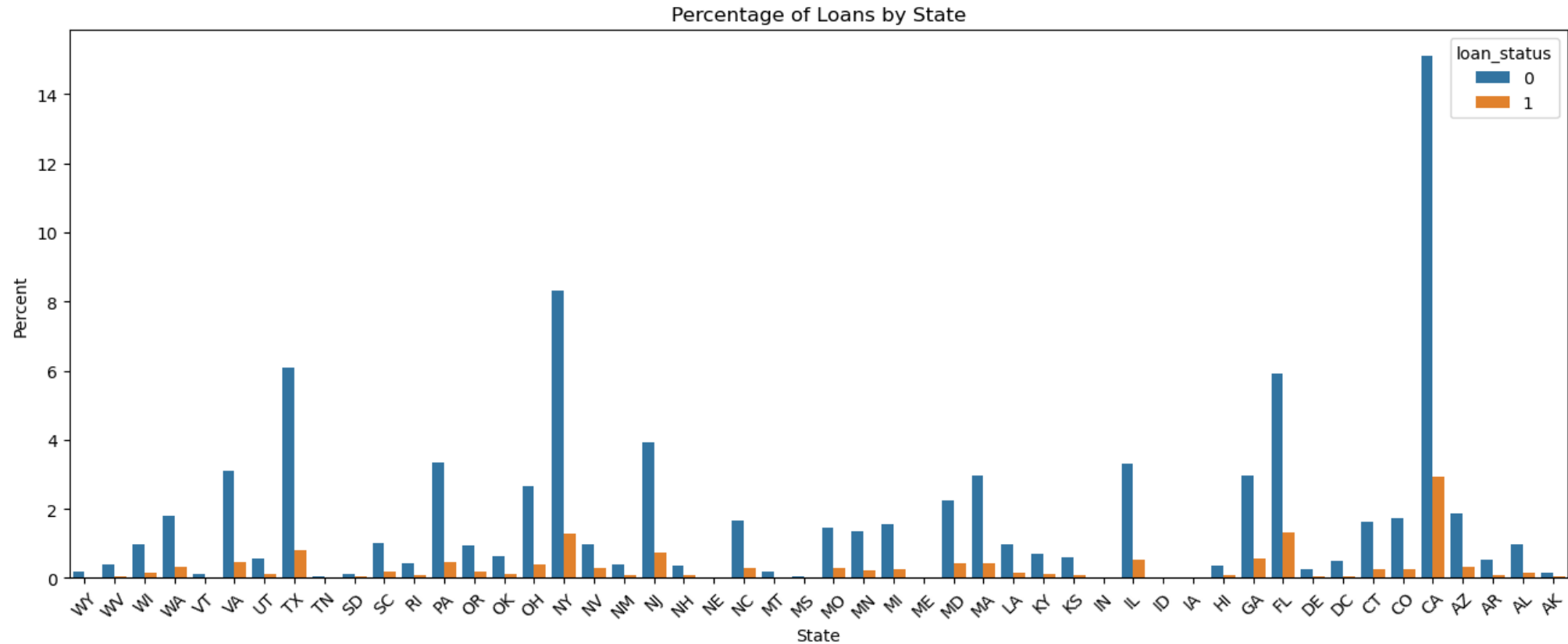
Another perspective of purpose data. Presented by percentage of the loan count. “Debt consolidation” is still the biggest contender

# State



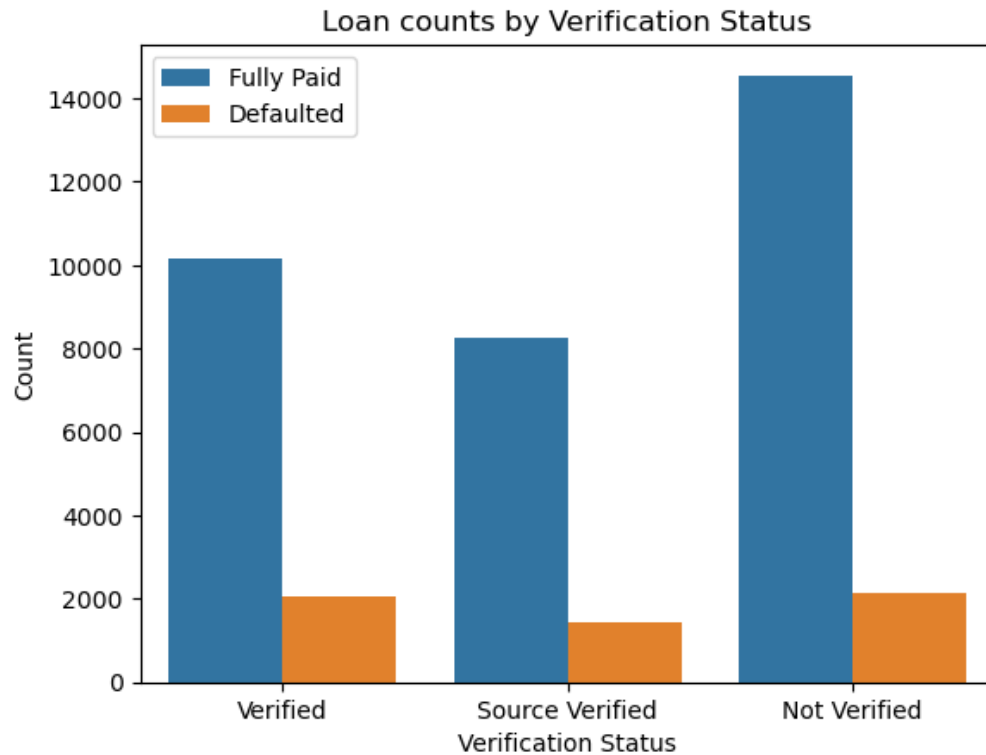
California/Florida/New York/Texas are highest contenders for loans.

## State (contd.)



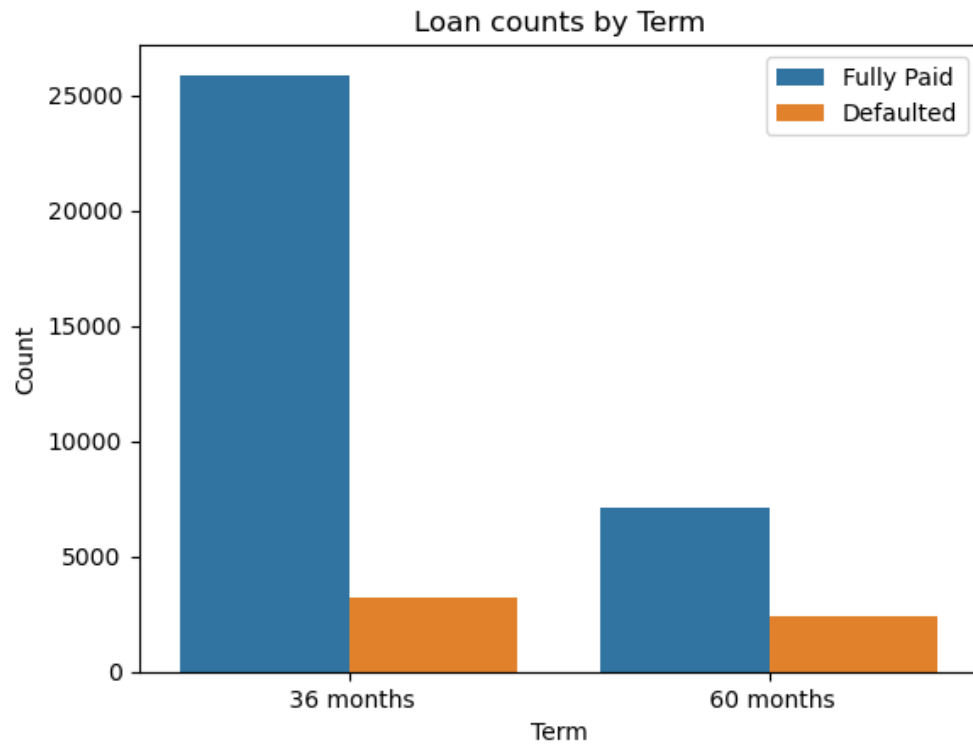
Depiction by percentage of loans

## Verification Status



There is a huge number of “Not verified” loans. Though the number of defaults is same as verified, it seems to be considerable risk factor

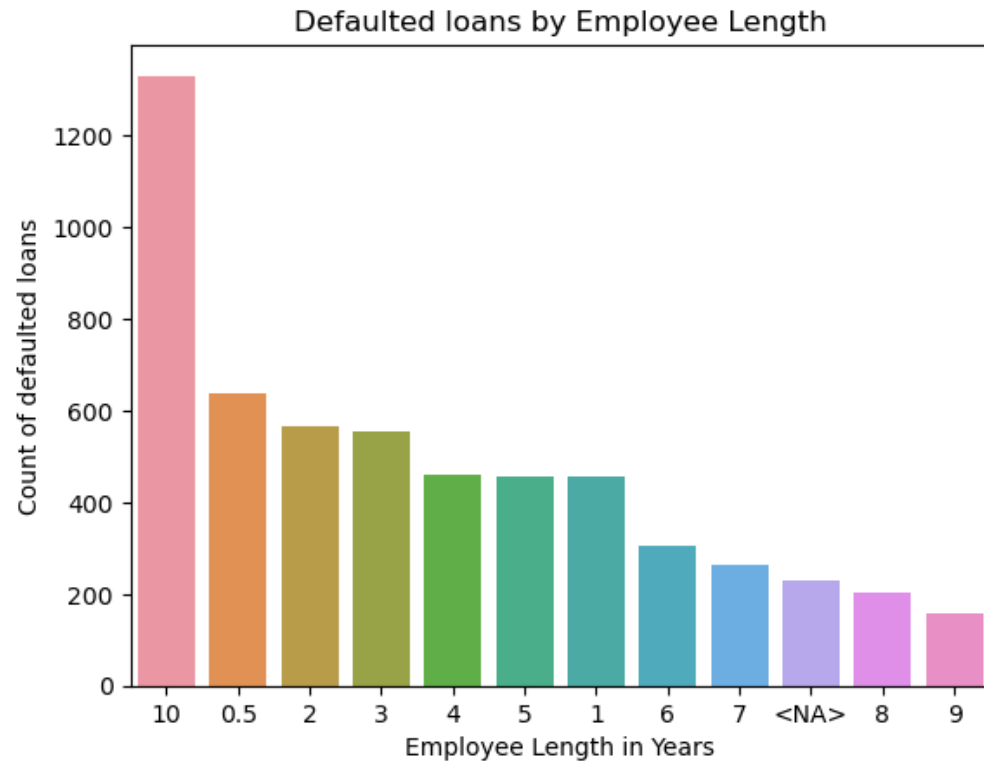
## Loan Term



There is a higher percentage of defaults in loans with longer term.

## Employment Length

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“Employees with more than 10 years” and “Employees with less than 1 year” seem to have a higher default count.

## Correlation among Numerical variables

