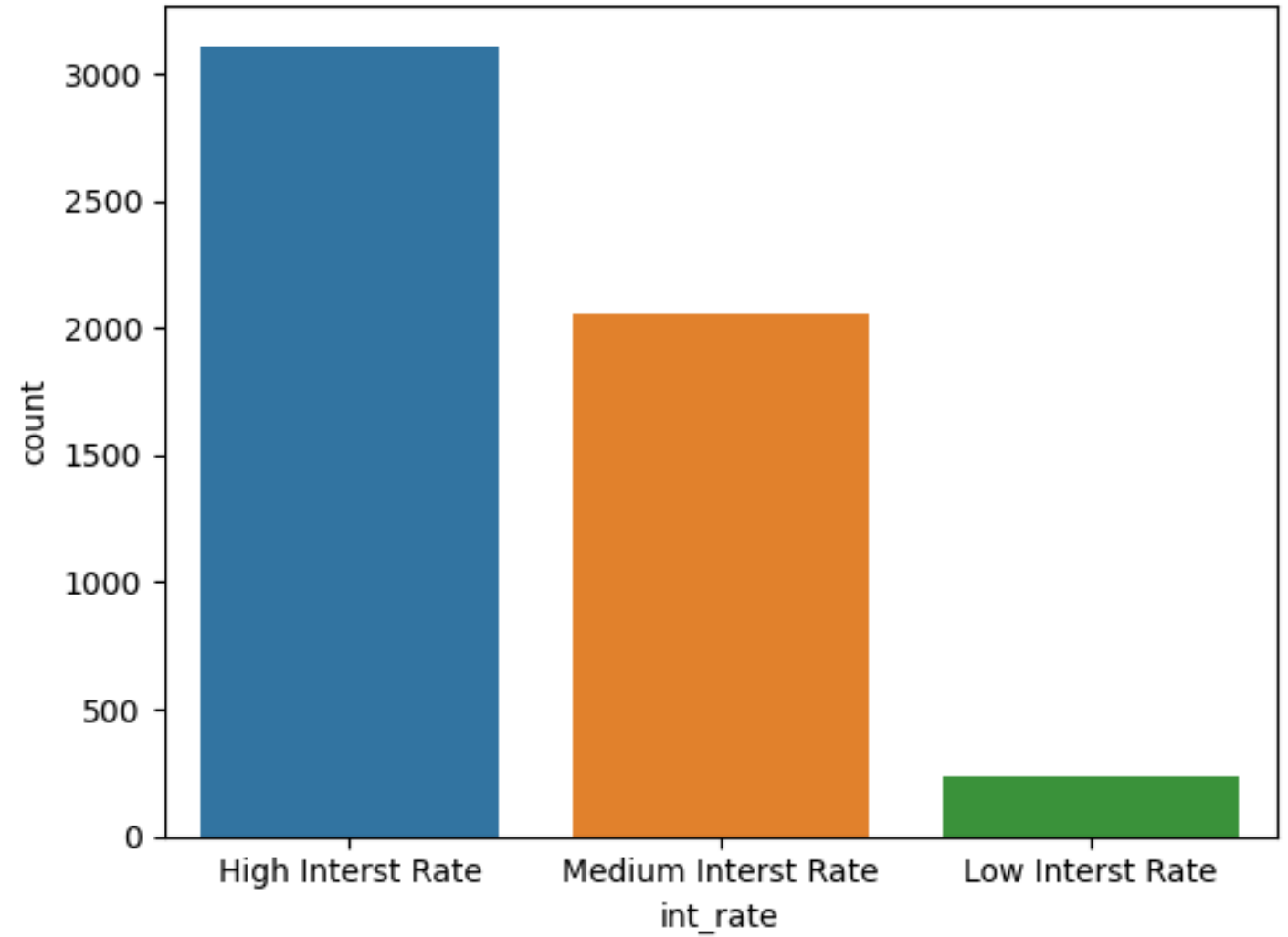


Lending Club Case Study

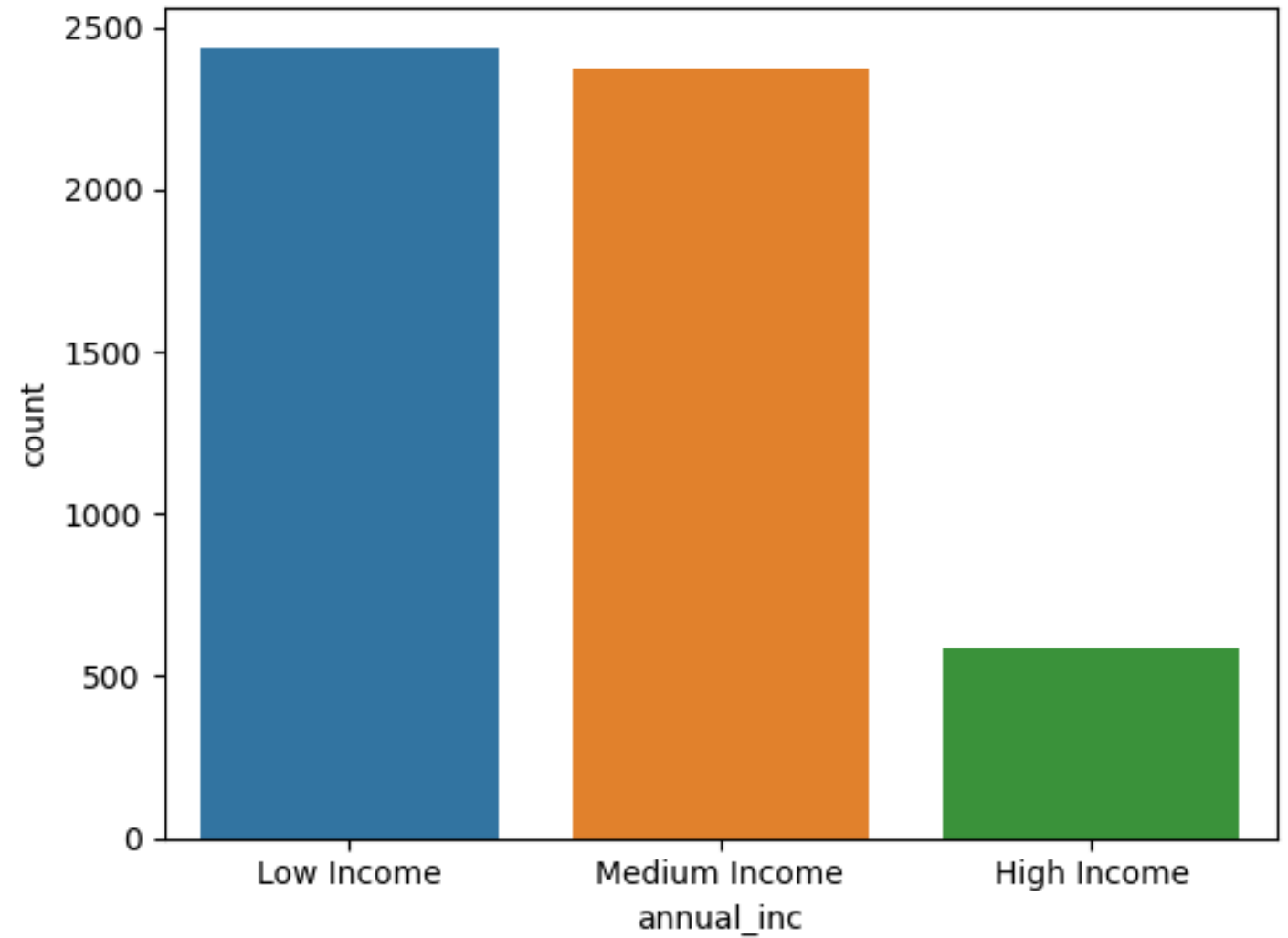
This case study will help the company to understand the driving factors (or driver variables) behind loan default, i.e. the variables which are strong indicators of default. The company can utilise this report for its portfolio and risk assessment.



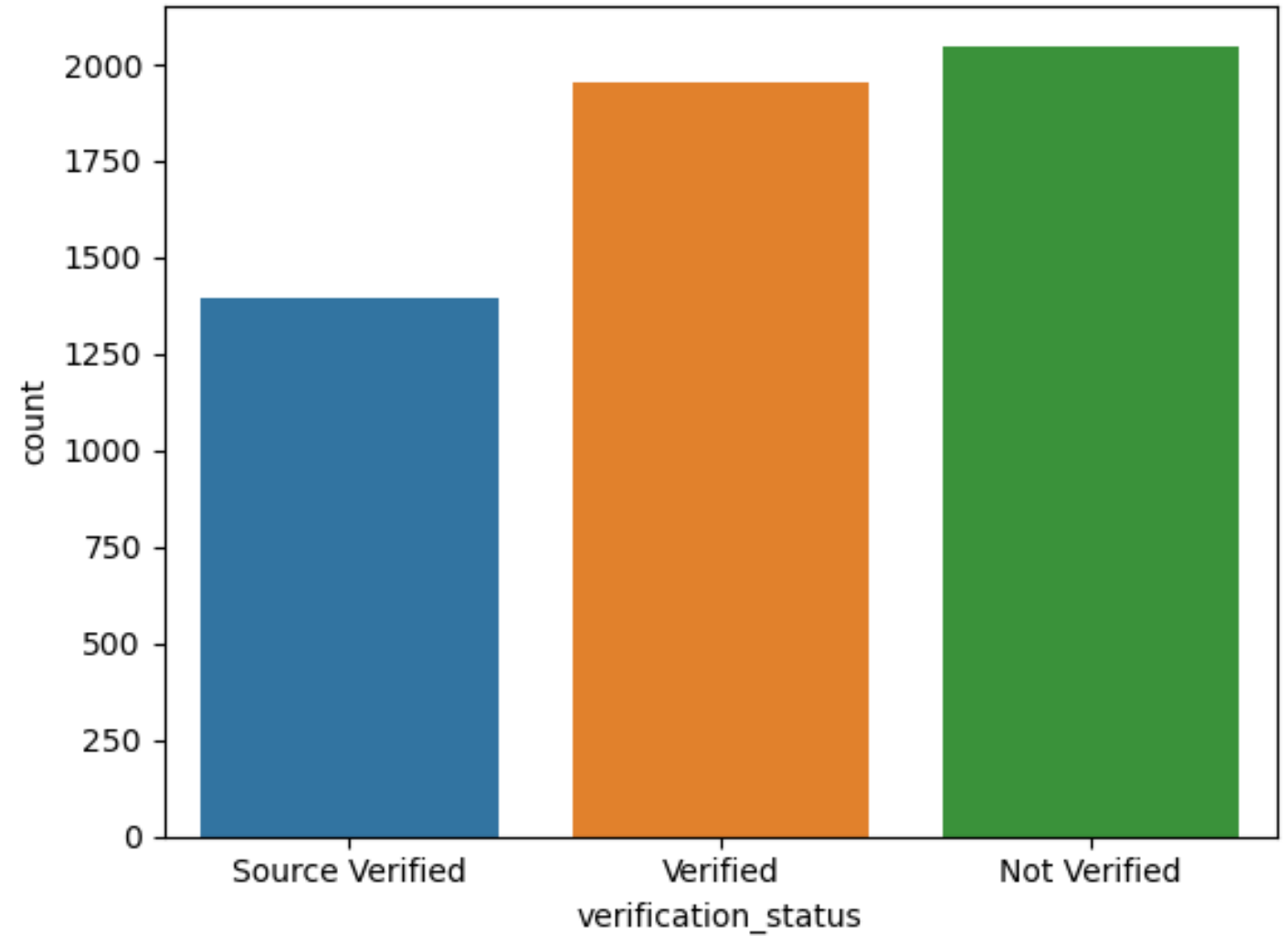
Loans with
High Interest
Rate are Likely
to Default



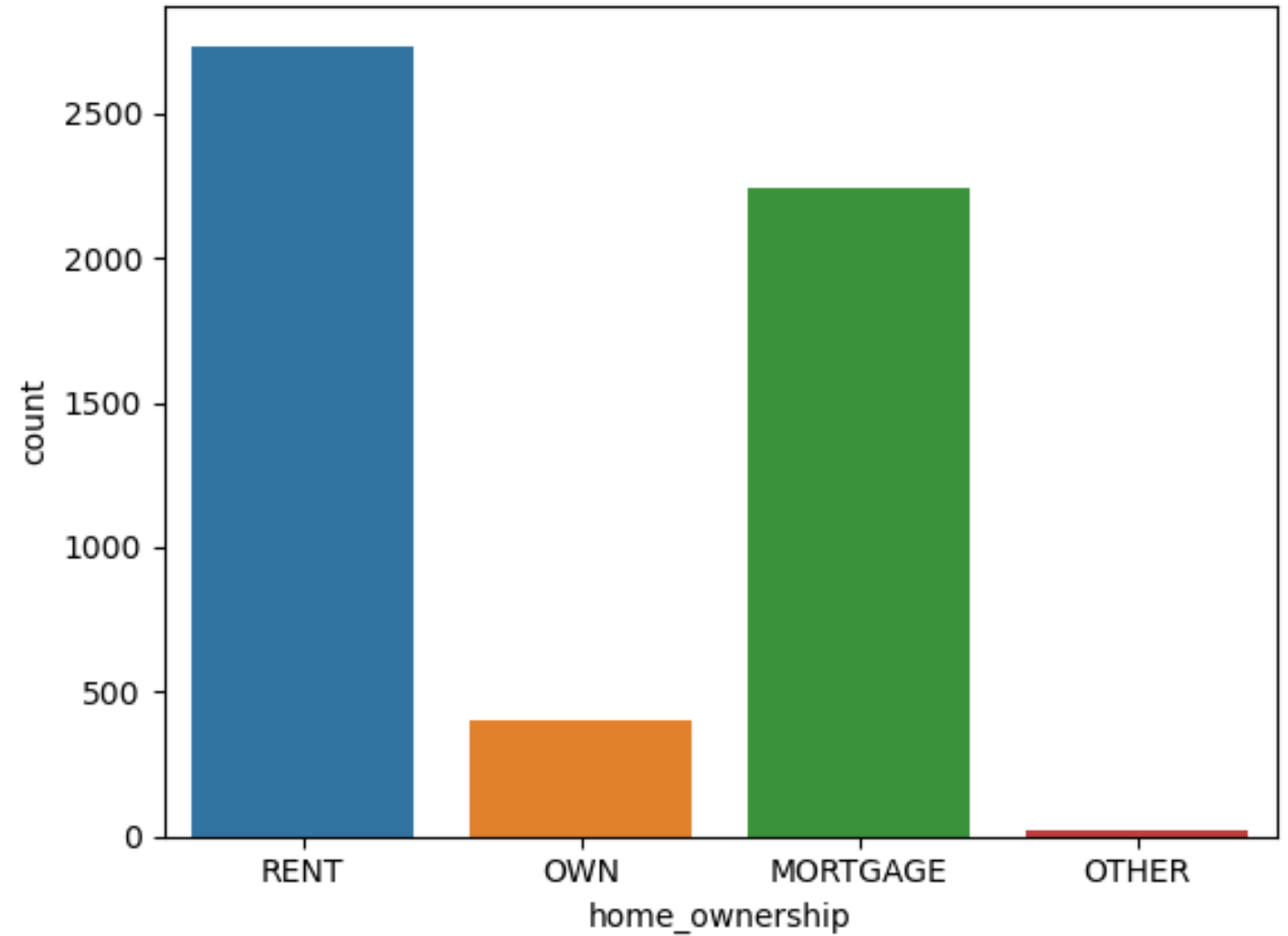
Applicants
with Low
Income are
likely to be
the Defaulter



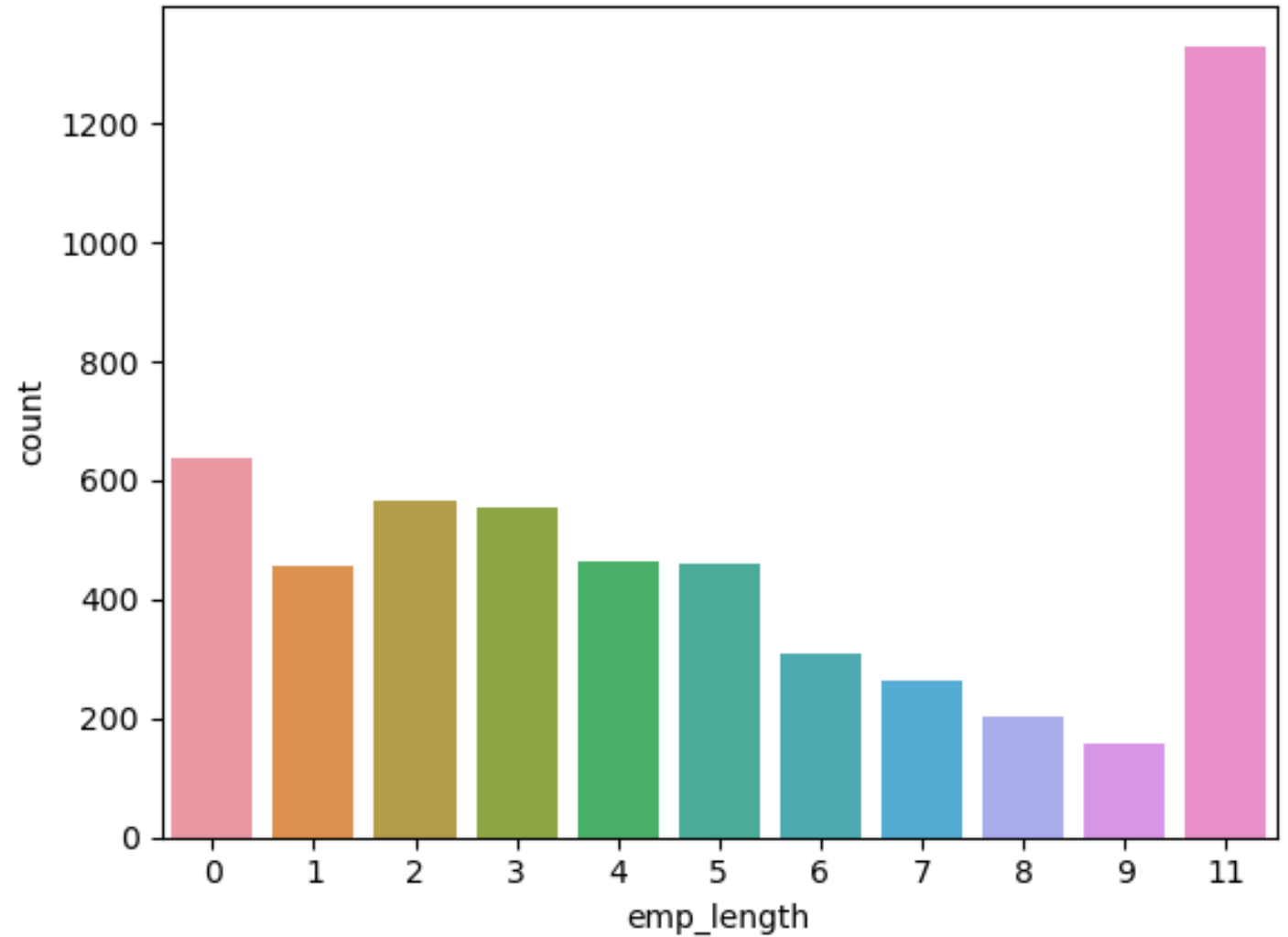
The Loan applications which are not verified are contributing more to the Default. Also, Loan Verified by Self Bank that is contributing to more default. Hence Recommendation is to do verification via Vendor Sources



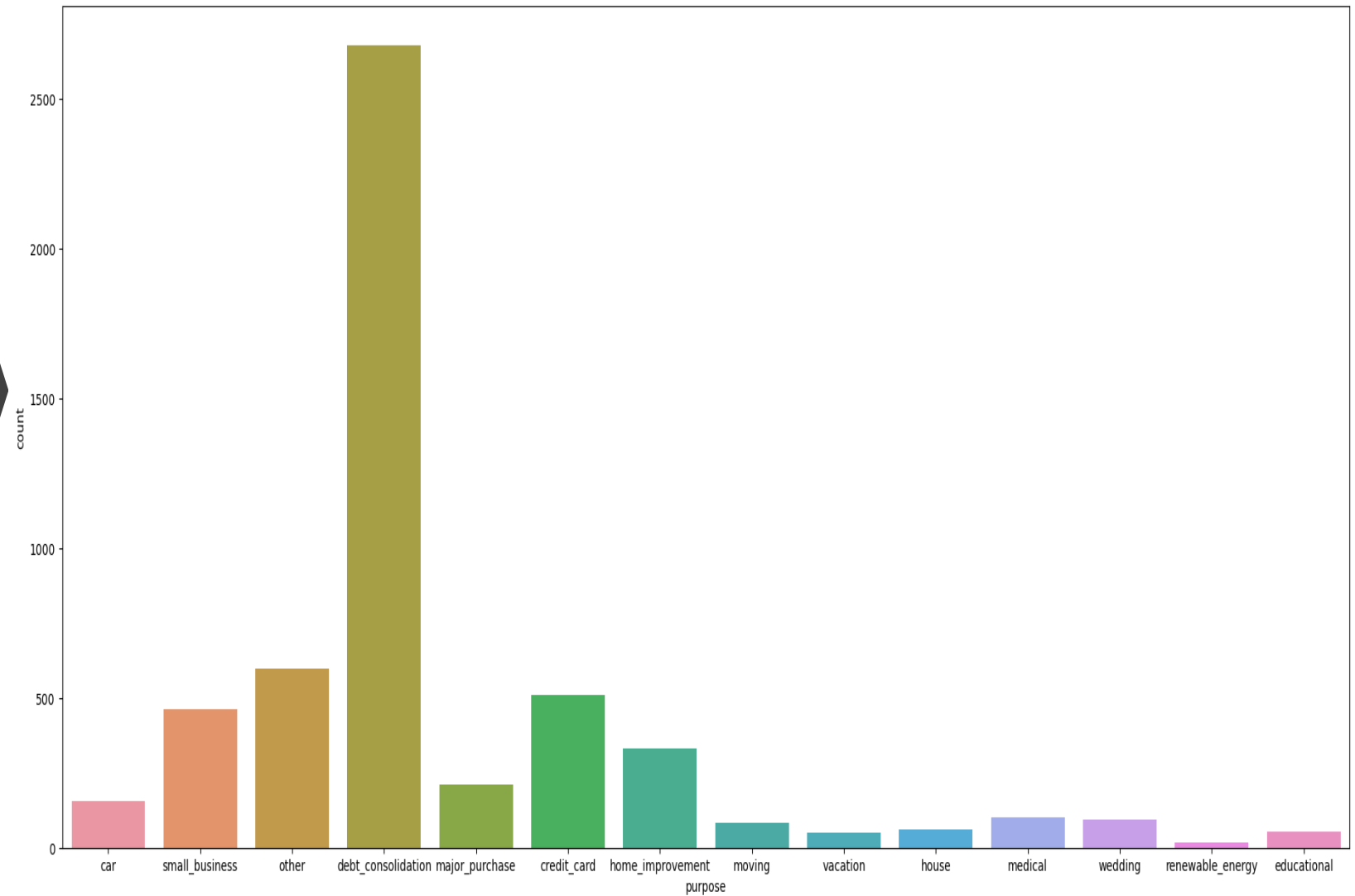
Applicants staying on RENT are more likely to default. Also, if there is another Mortgage loan running for the applicant then such cases will also increase the possibility of default.



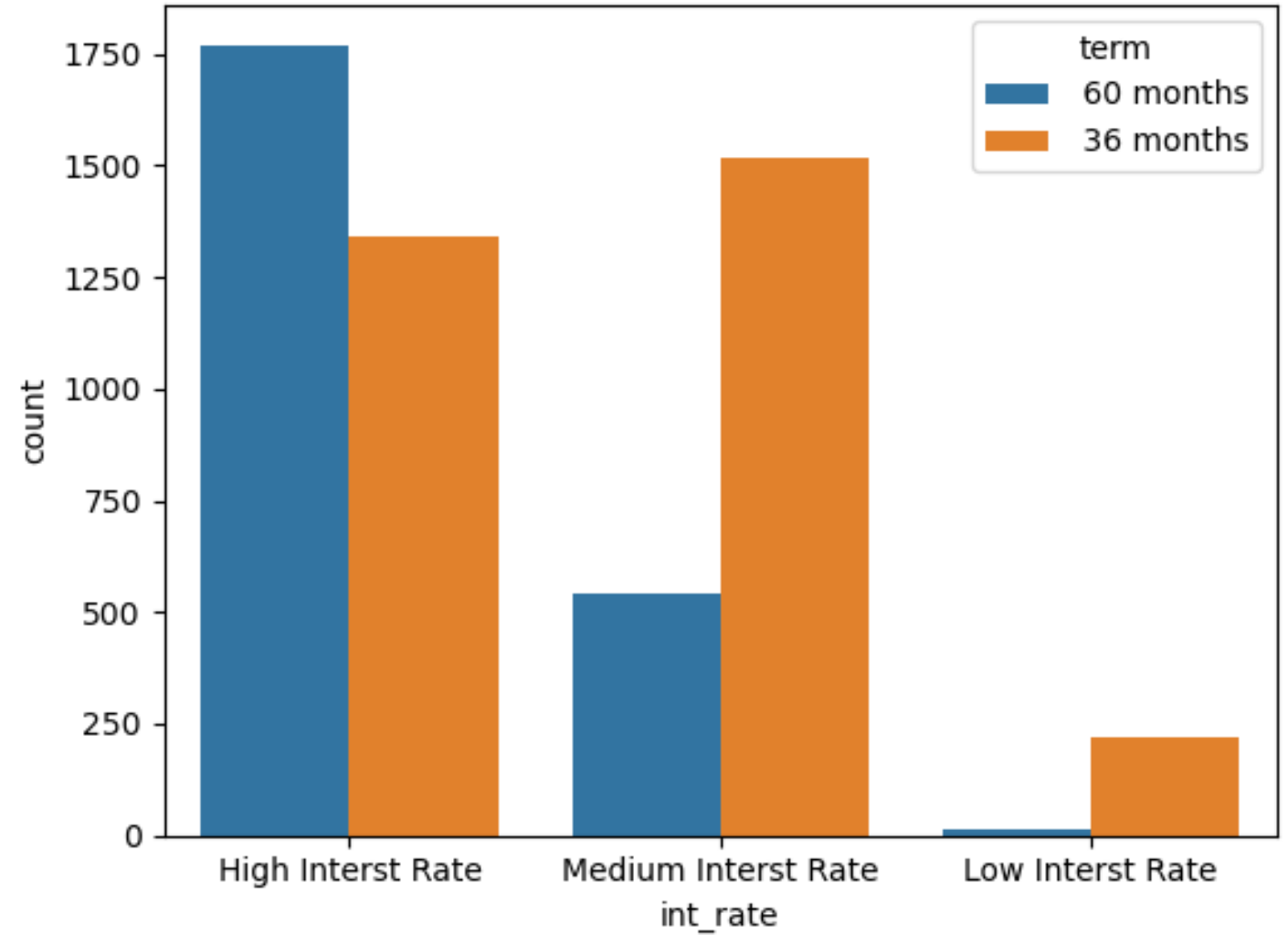
Applicants either with 11 years of experience or less than 1 year of experience are high contributor to defaulters



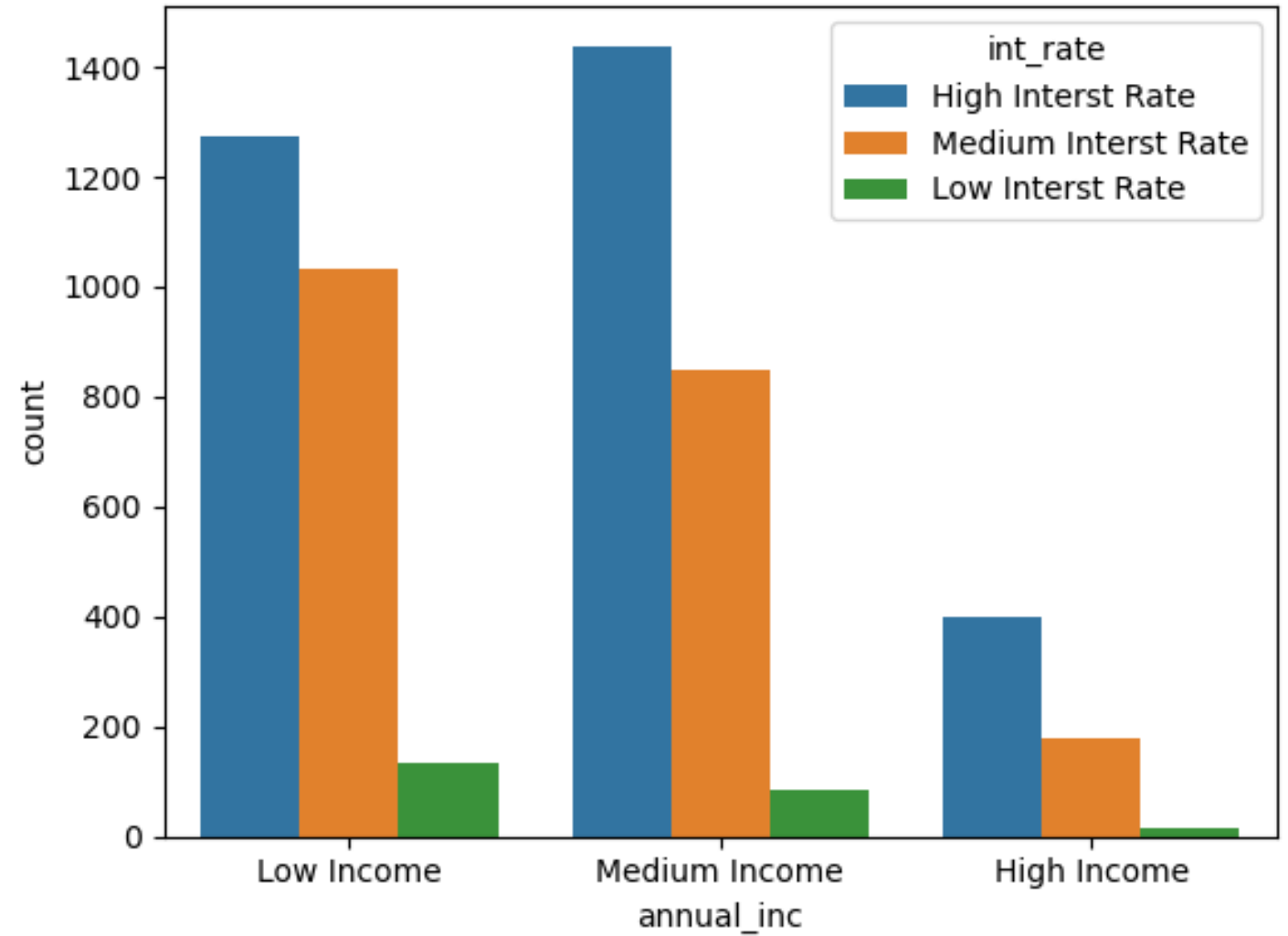
If Purpose of the loan is
Debt Consolidation,
Credit Card then its
likely to default



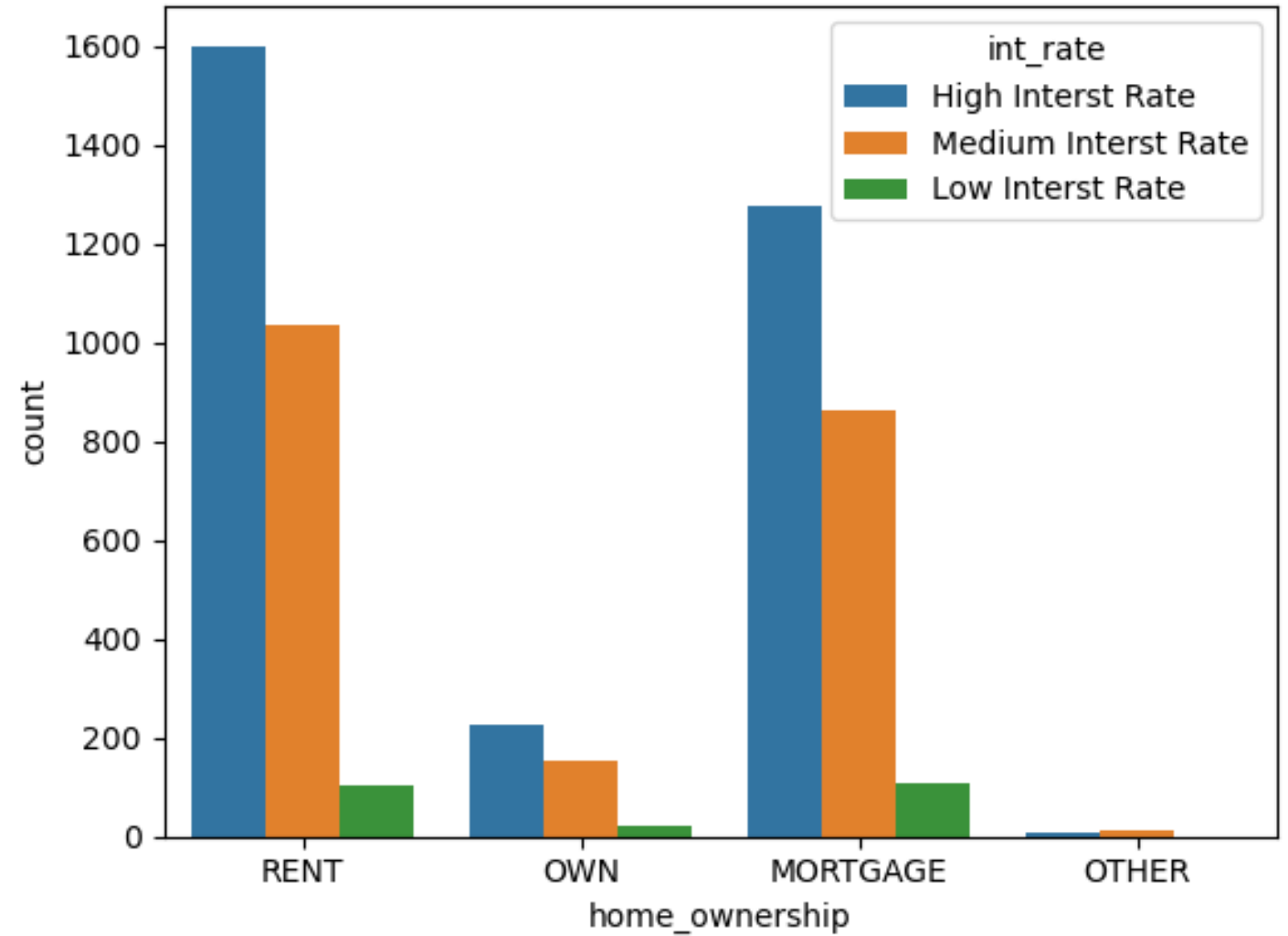
Though Loans with High Interest & High Tenure need likely to Default; however, loan with 36 months of tenure have observed Defaulted. So, company should offer longer term for the repayment.



There are two categories which has high risk of Default 1. Application with Medium Income and ready to take loan at High Interest Rate 2. Application with Low Income and ready to take loan at High Interest Rate

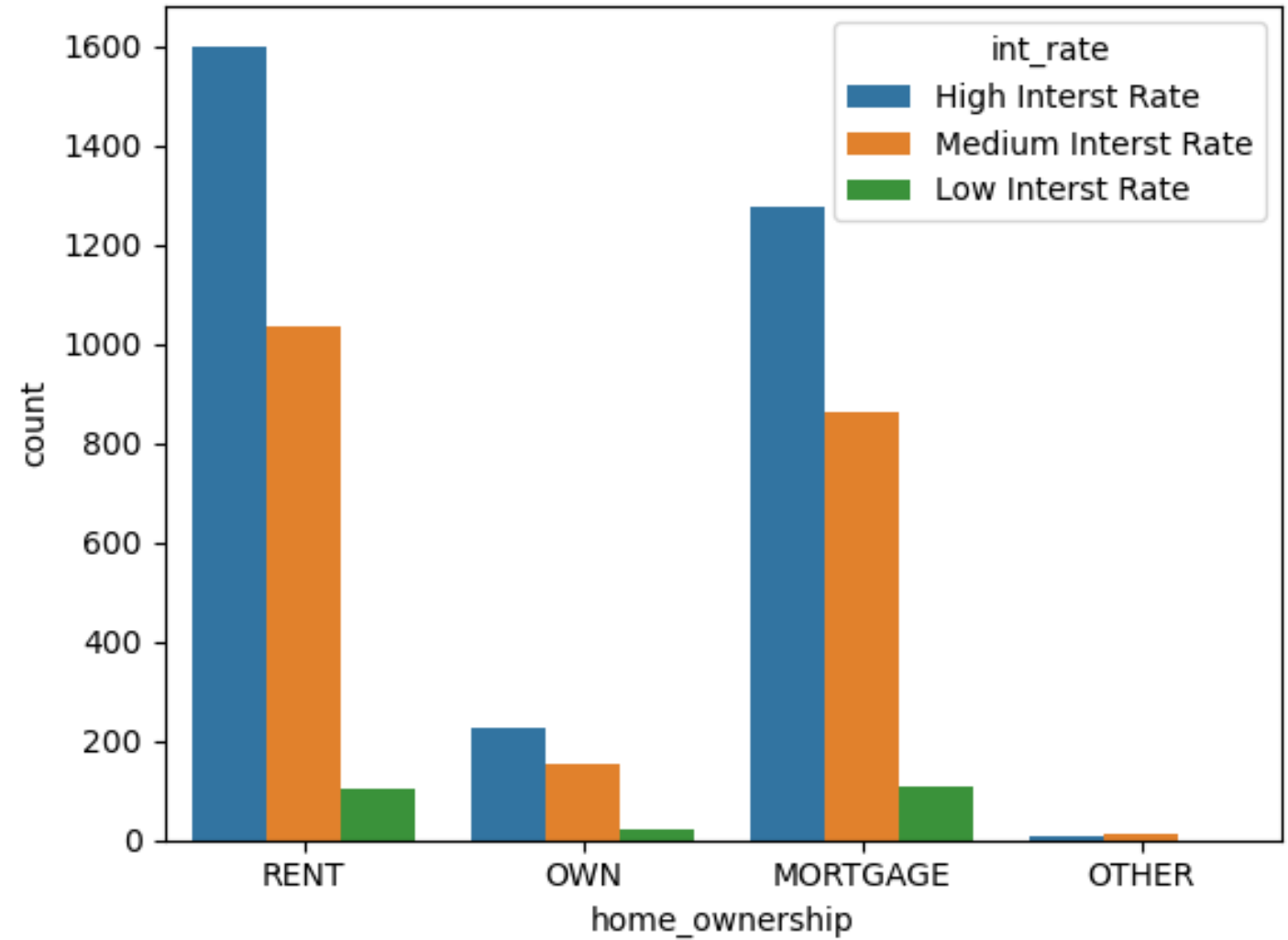


There are two categories which
has high risk of Default 1.
Application with living on RENT
and ready to take loan at either
High or Medium Interest Rate 2.
Application which are already
running with Mortgage Loan and
ready to take loan at High Interest
Rate

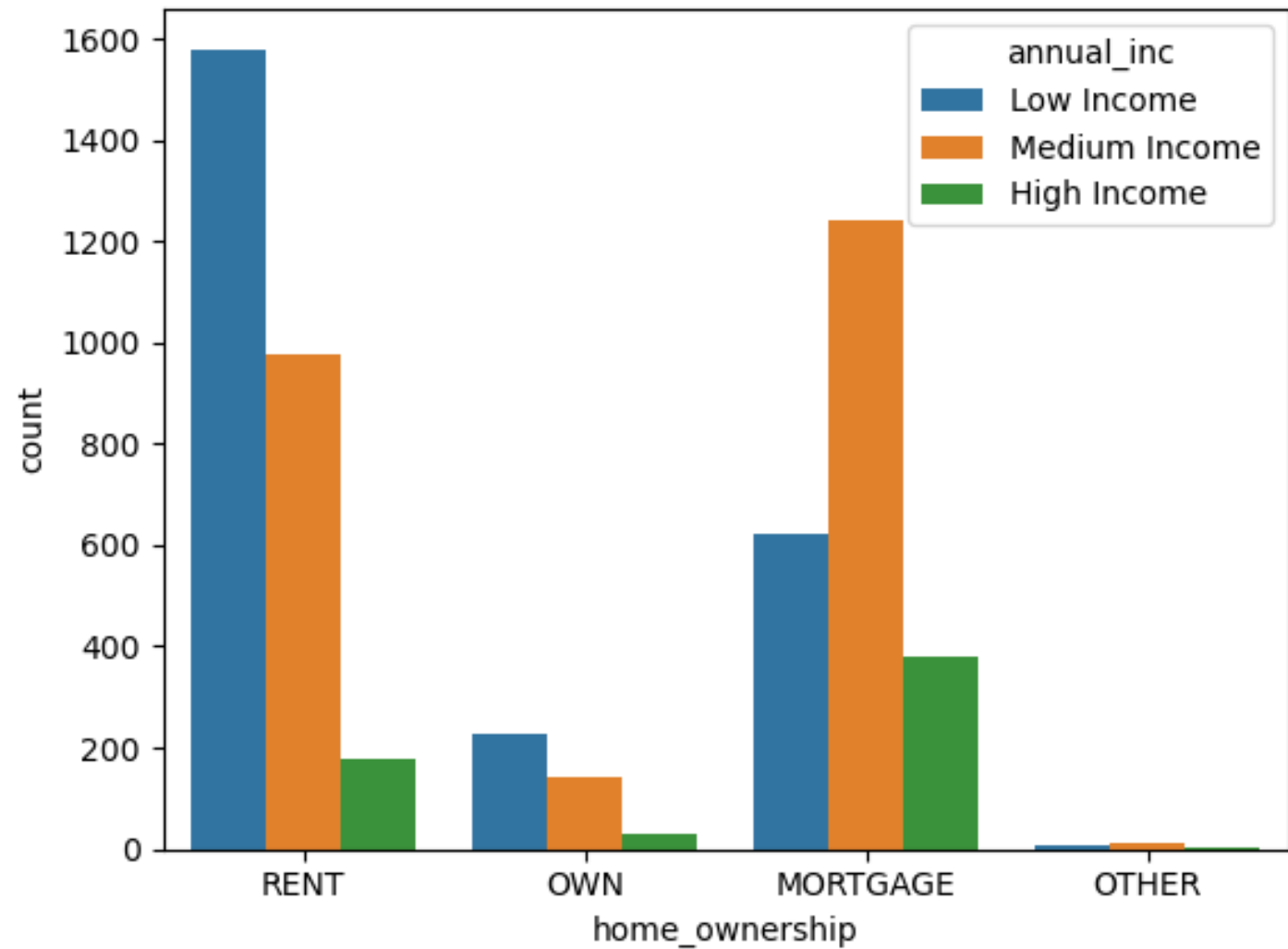


There are two categories which has high risk of Default

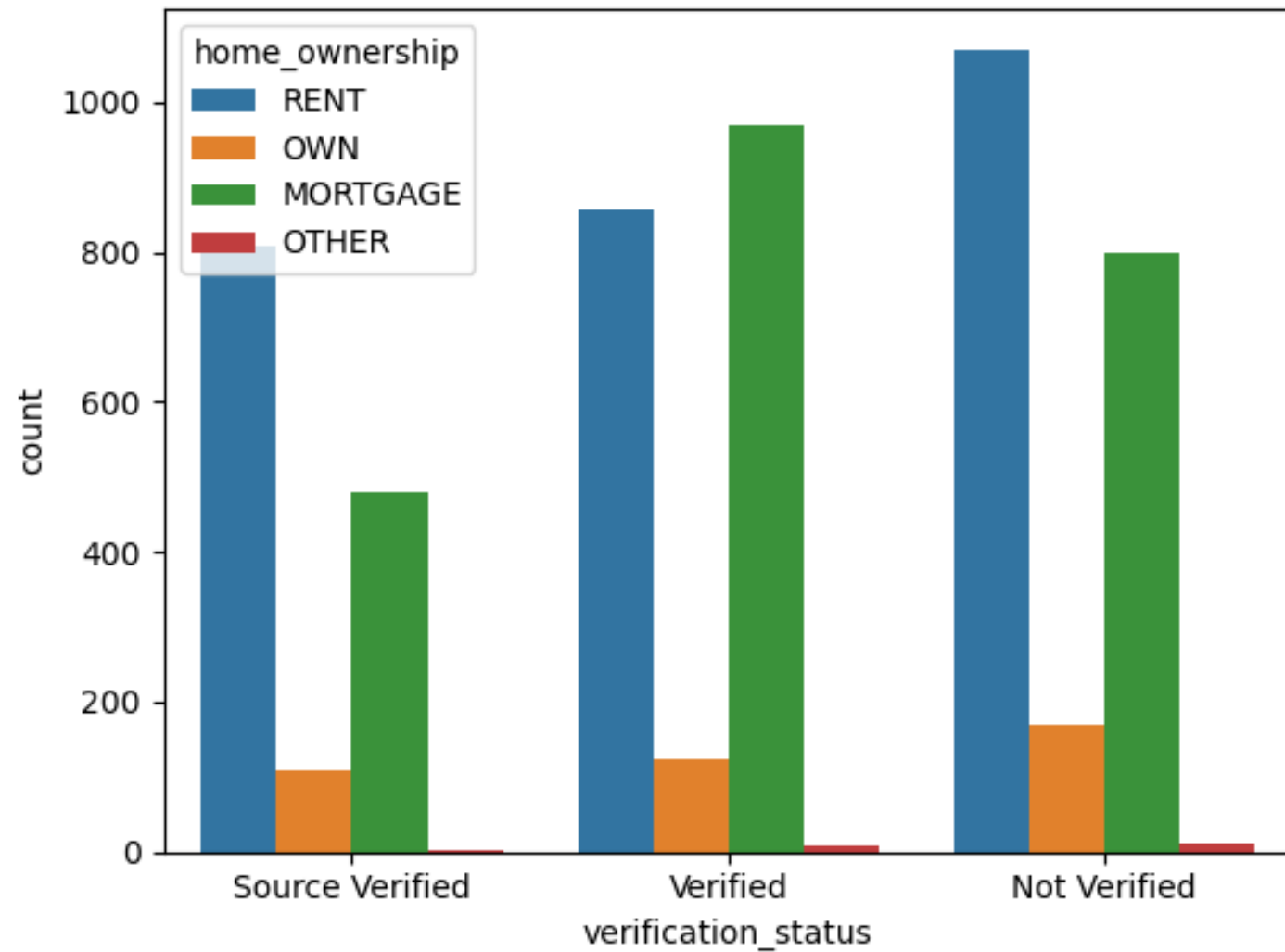
1. Application with living on RENT and ready to take loan at either High or Medium Interest Rate
2. Application which are already running with Mortgage Loan and ready to take loan at High Interest Rate



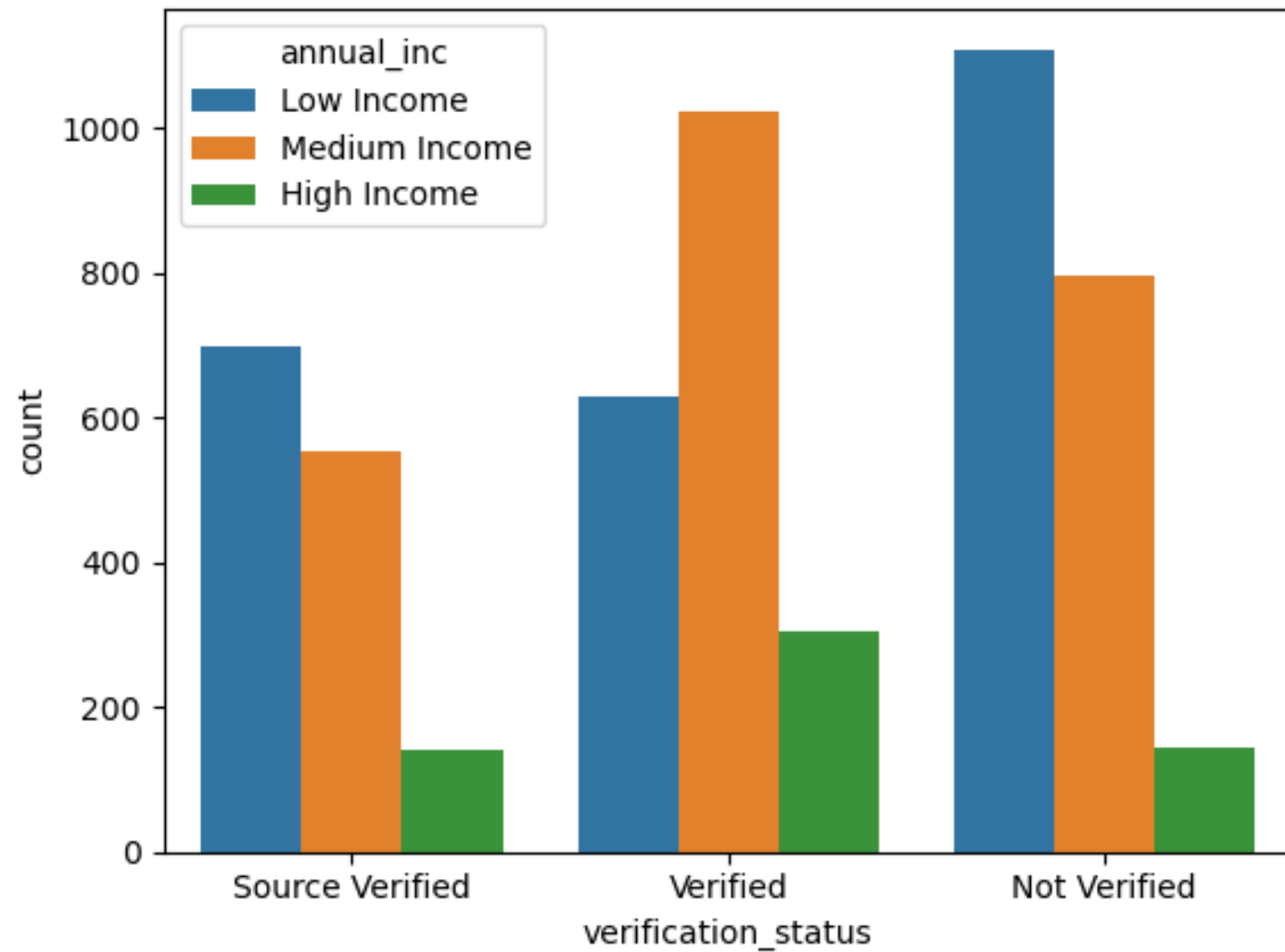
There are two categories which has high risk of Default 1. Application with living on RENT and having low Income 2. Application which are already running with Mortgage Loan and having Medium Income



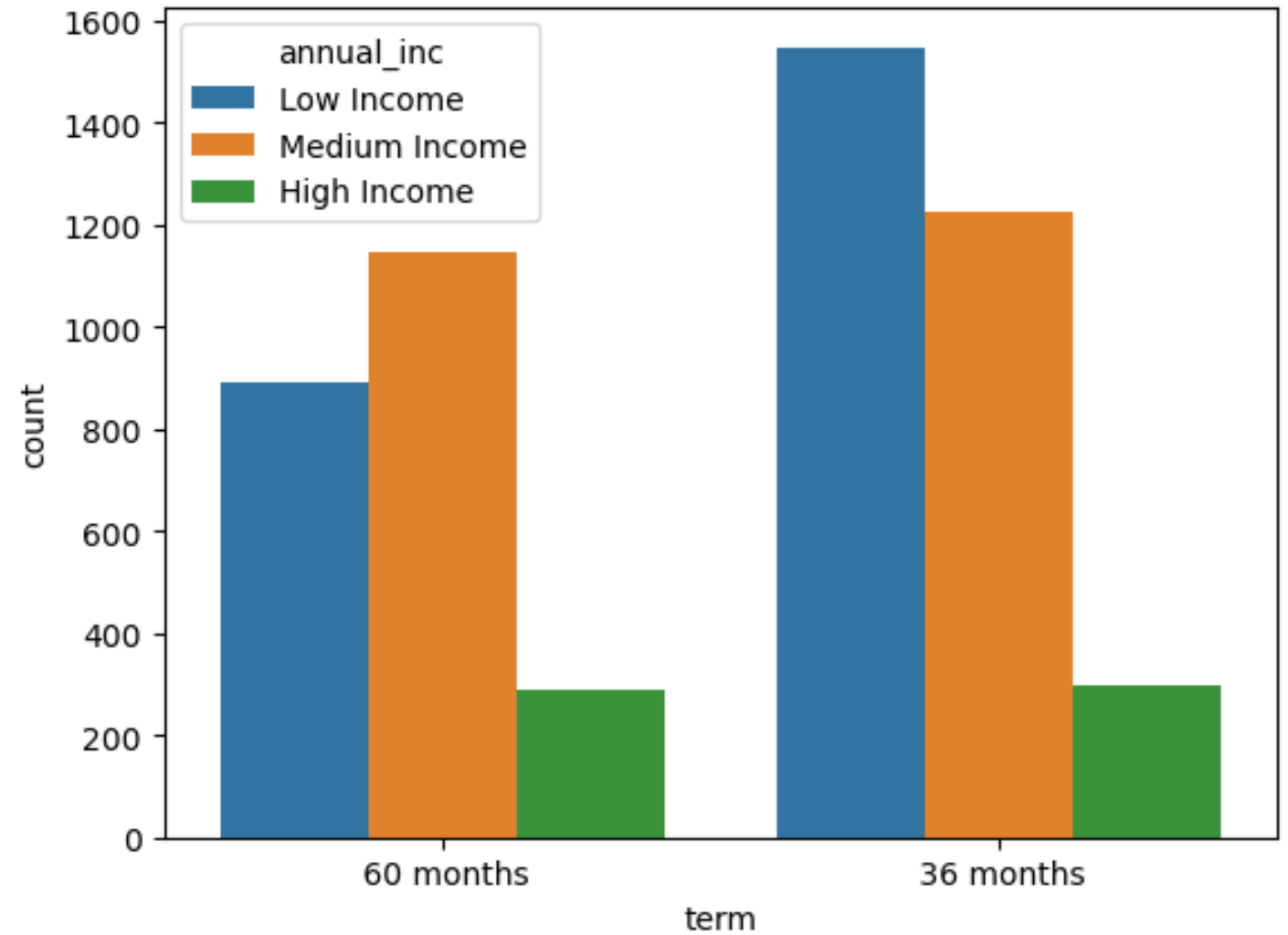
Application
which are
staying on a
RENT and have
not verified are
likely to Default



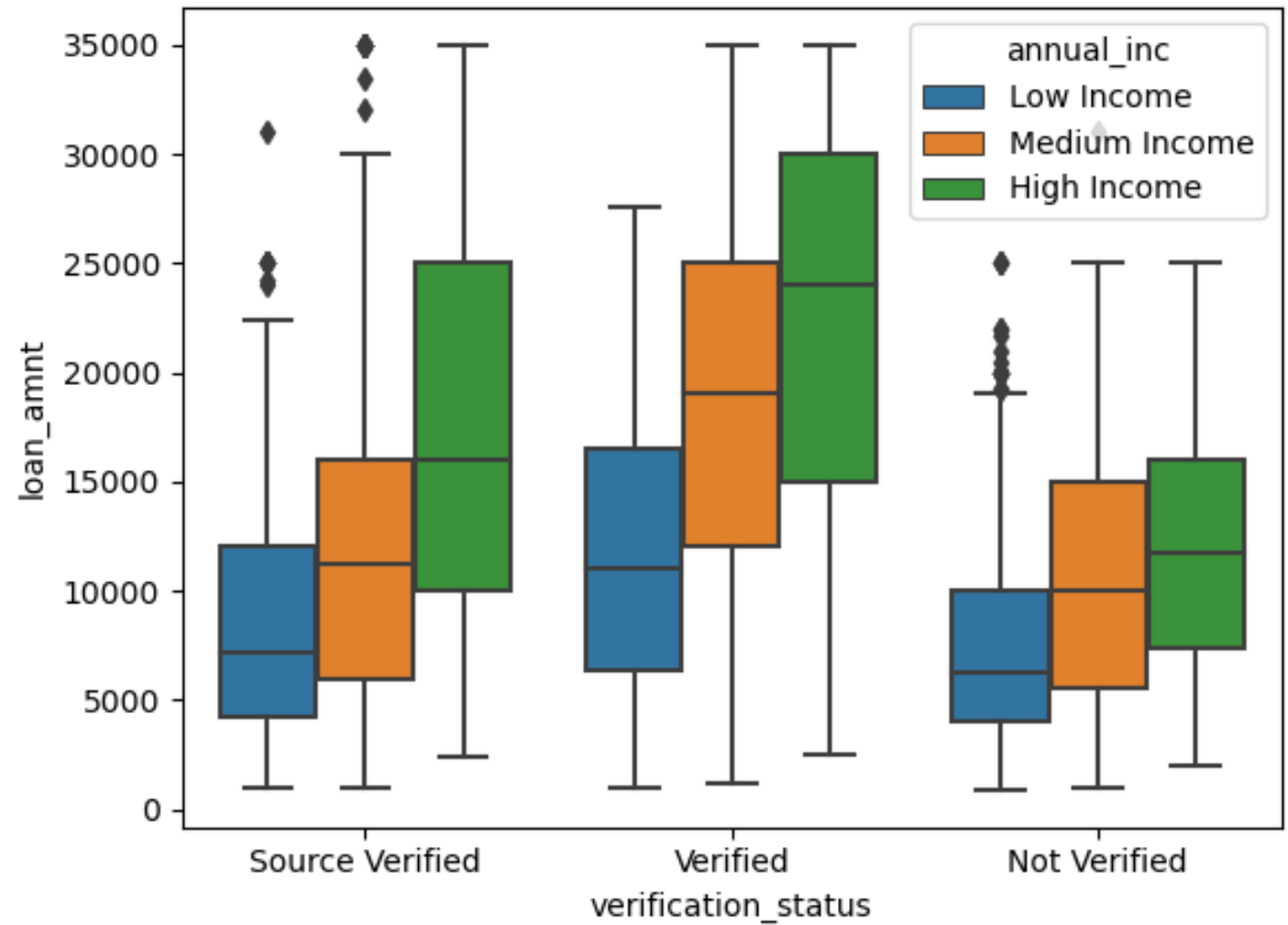
Application
with low
income need
to verified
deligently



Giving Maximum
term to lower
income
application will
reduce risk of
Default



Bank Verification process need to revisited. Though the cases are verified by bank they are the high contributor to Default Loans.



If the Purpose
for the loan is
Debt
Consolidation
are most risky
case

