

# LENDING CLUB CASE STUDY

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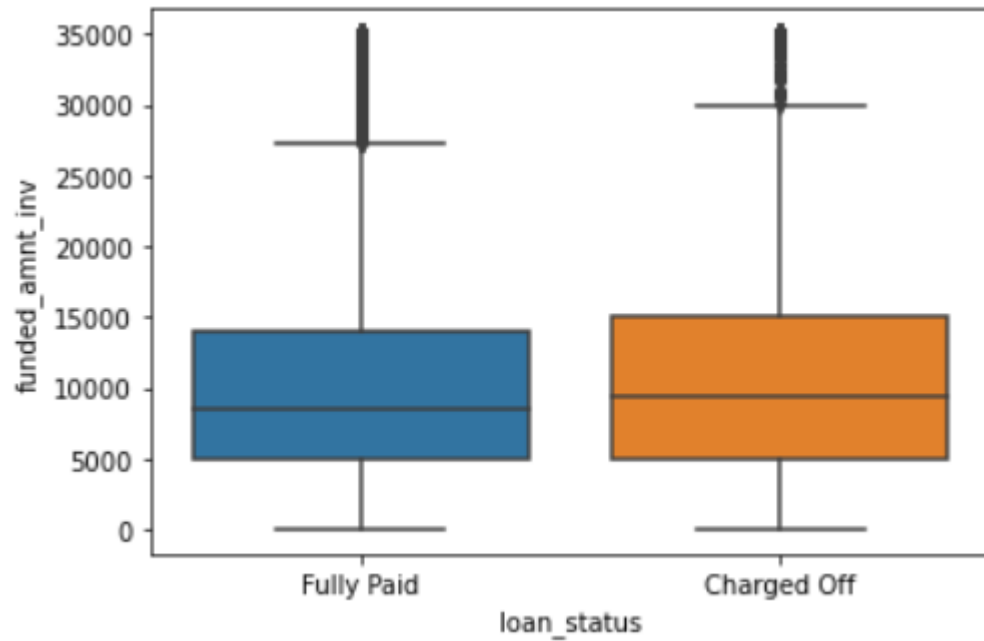
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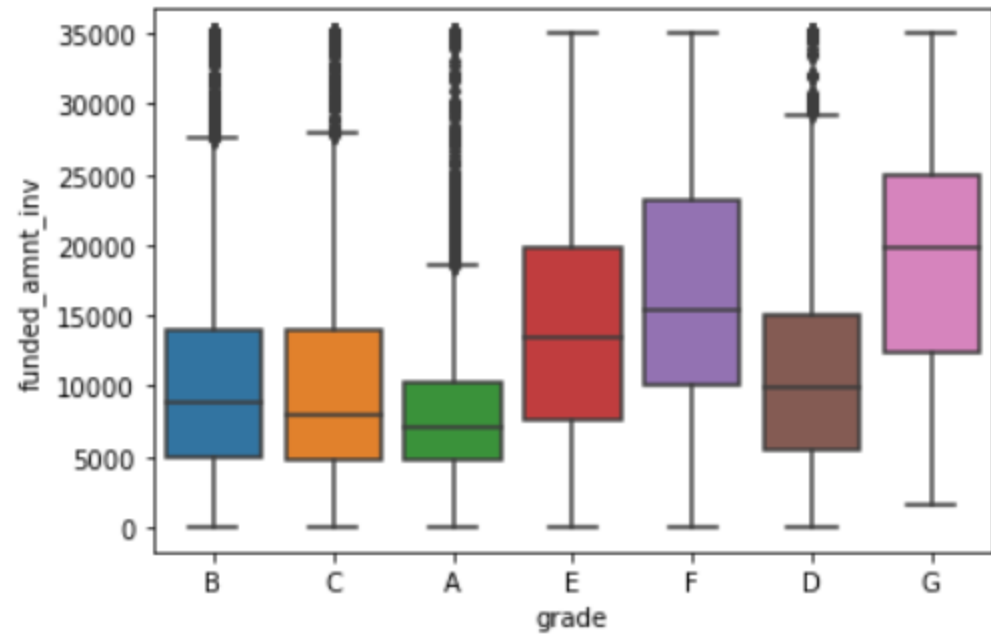
# GENERAL DATA INSIGHTS

- ▶ Majority of the loans are credited to borrowers from the state of California.
- ▶ Majority of borrowers have a work experience of 10 or more years.
- ▶ Majority of borrowers are living in rented houses.
- ▶ Majority of borrower's purpose for loan is loan consolidation.
- ▶ Majority of borrower's income status is not verified.
- ▶ Majority of borrowers are opting for a loan of term 36 months.
- ▶ Majority of borrowers are of grade B
- ▶ Majority of loans are requested in the month of December.

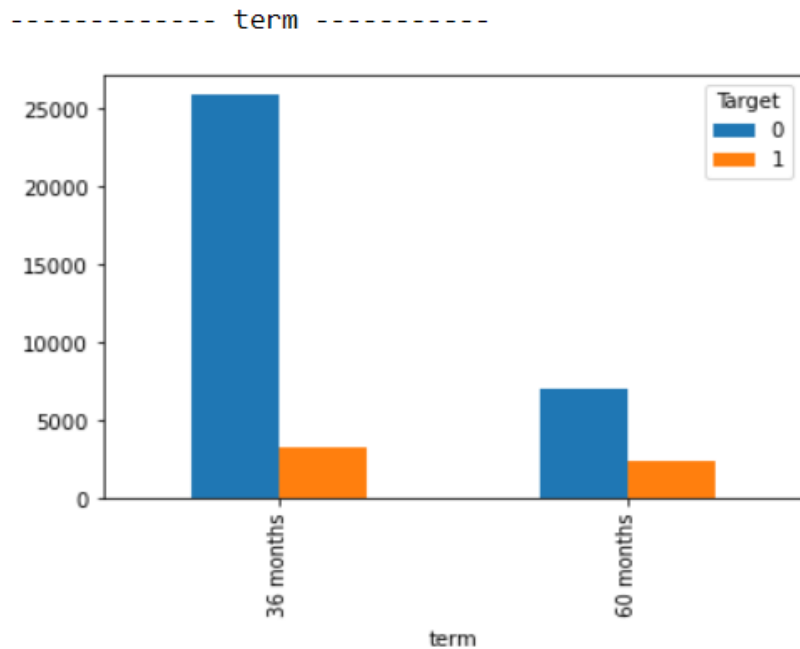
# DATA INSIGHTS FOR DEFAULT BORROWERS



Loan amount is greater in charged off loans than fully paid loans.

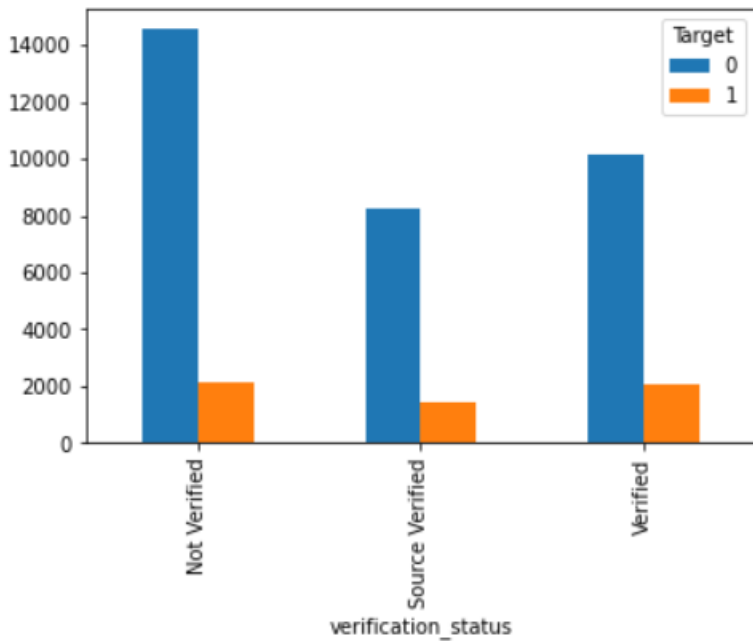


Grades E,F,G have take more high amount loans than the borrowers from other grades.



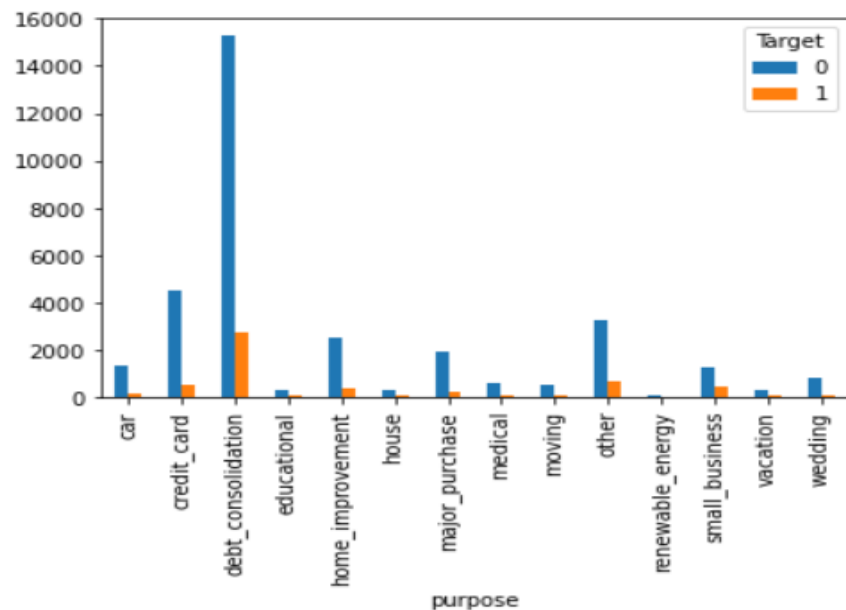
There are more defaulters in term of 36 months than in term of 60 months.

----- verification\_status -----

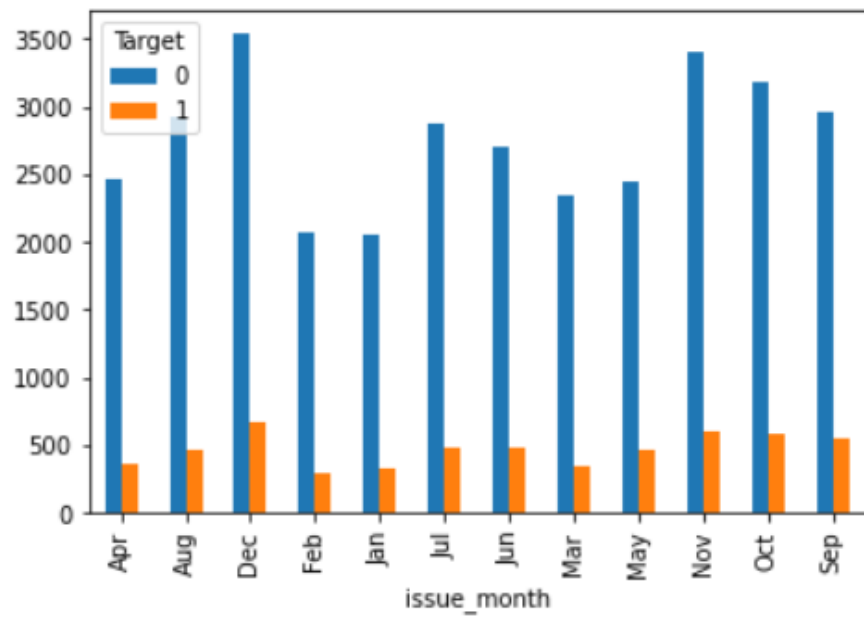


Source verified borrowers have less number of defaulters than not verified and verified borrowers.

----- purpose -----



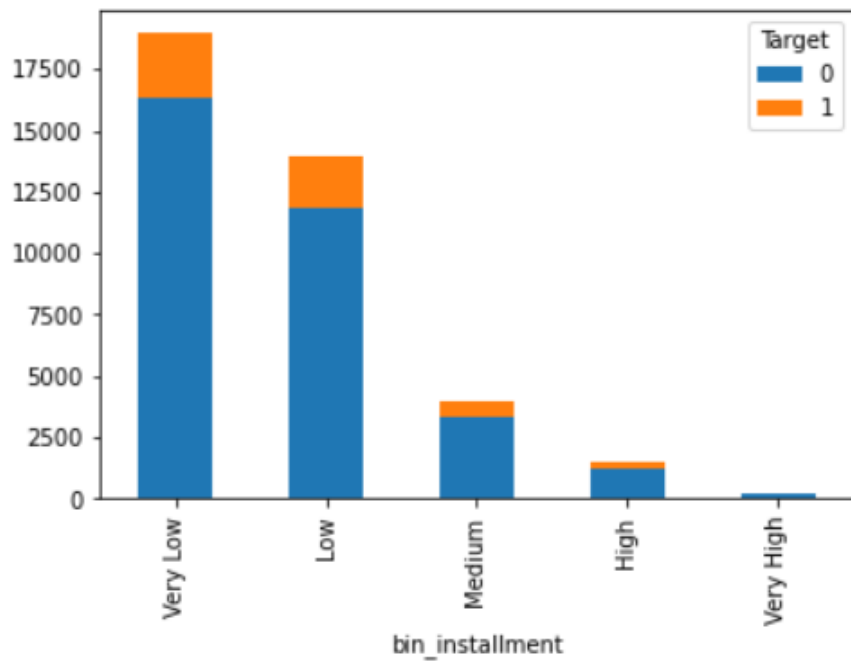
“Debt\_consolidation” is a major purpose given by defaulters. It has default numbers much higher than any other purpose mentioned by borrowers.



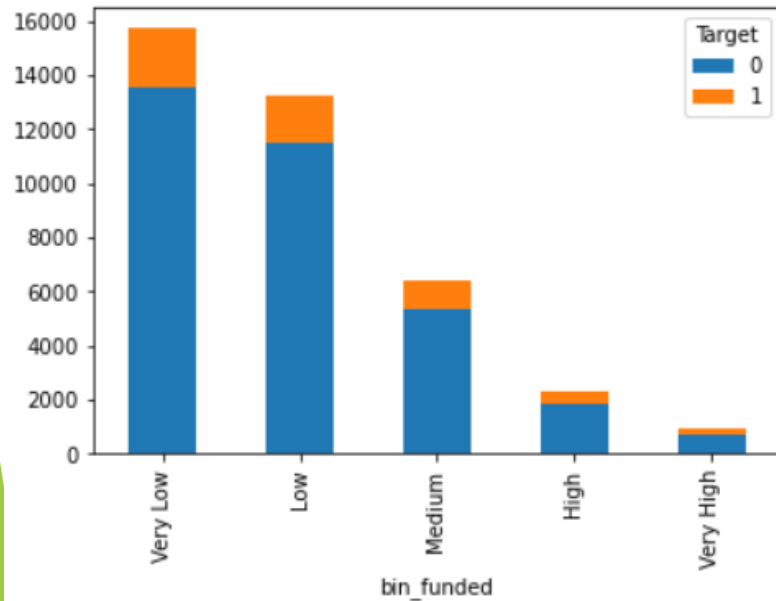
Defaulting loans are much higher near year end months and highest in December. Indicating winter holiday expenditures.



With increasing year, more number of loans have been given out. Also, more defaulters have increased with increase in year.

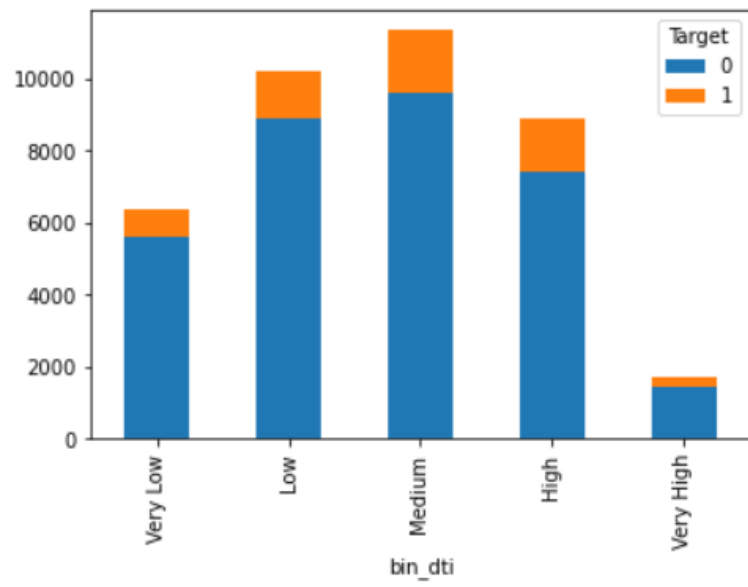


Borrowers with smaller installment are defaulting more.

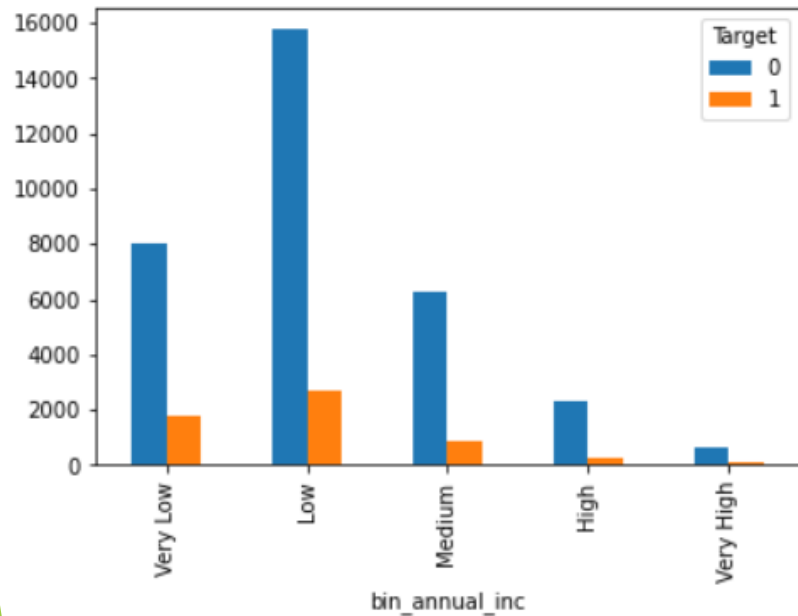


Borrowers who have taken loan of lesser value tend to default more.  
Proving that the company is taking better decision at lending money.





Borrowers having medium dti are defaulting more than others.



Borrowers having low annual income are defaulting the most.

# RECOMMENDATIONS

- ▶ Grades seems to be a good indicator. So the company should focus on it and also give more attention to lower grades.
- ▶ Loans with term of 36 month have more defaulters. So the company should decrease the amount of loans with 36 month as term and increase the loans with the term of 60 months.
- ▶ Loans with very low installment are seeming to be a major concern. So the company should either remove this category of instalment or decrease the number of loans with very low installments.
- ▶ Year end months are proving to be very beneficial for business. So the company should come up with more offers and policies targeting the year end borrowers.
- ▶ The company should make source verification mandatory for loans with higher value to decrease risk, as source verification has given least number of defaulters

THANK YOU!!!