

LENDING CASE STUDY ON LOAN DATASET

Contributors

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Business Objective

Case study is to analyze the lending loan dataset from large loan market company. The outcome would be key factors/observation to be considered while approving the loan of a customer.

Observation/Recommendation

Observation

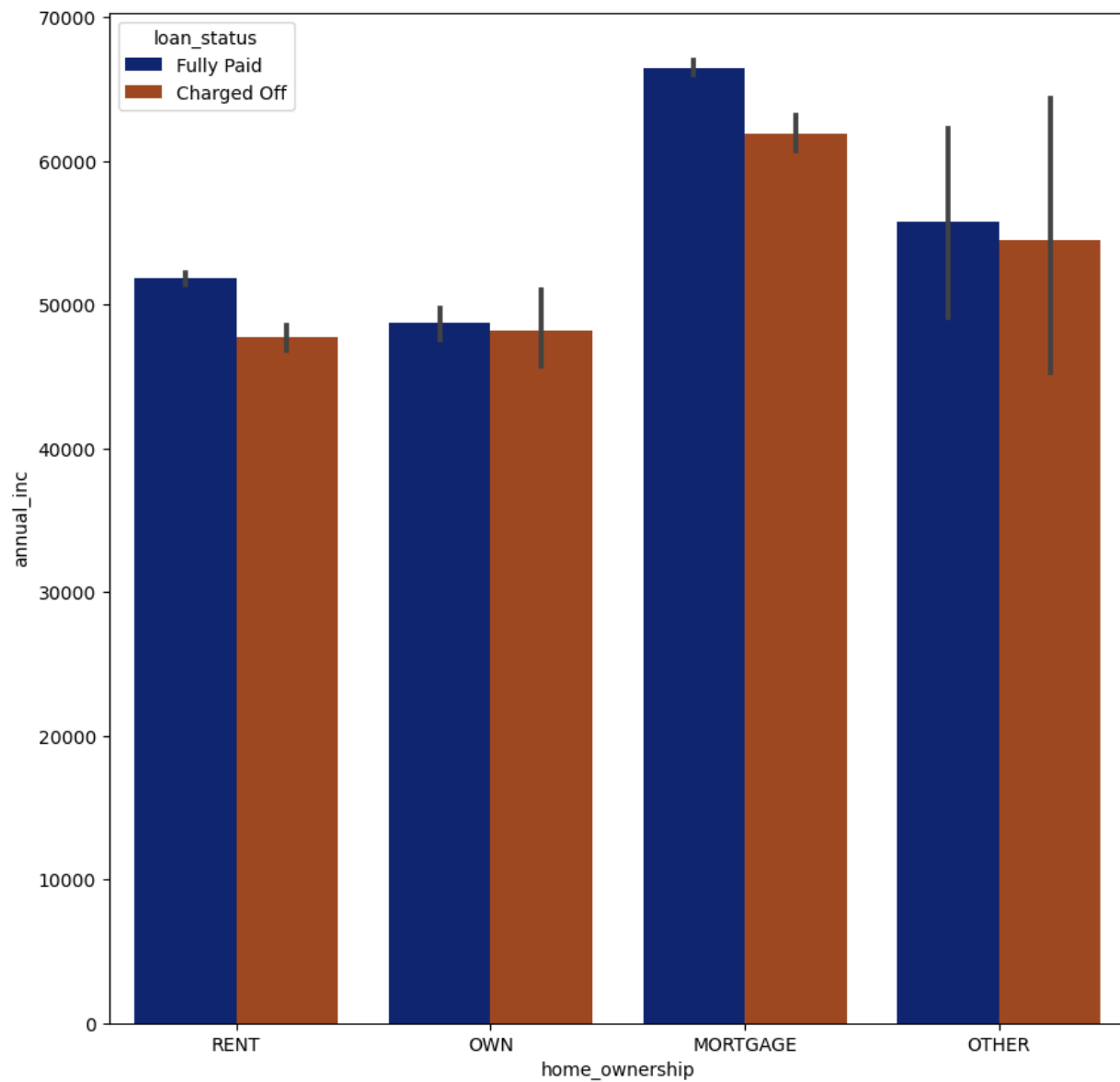
The analysis done with respect to the charged off loans. There is a more probability of defaulting when :

- Borrowers having MORTGAGED home with annual income > 50k.
- Borrowers with *verification status* as **Not Verified**.
- Borrowers given loan on interest rate between 9% to 13%.
- Borrowers dti between 12 to 18.
- Borrowers without pub_rec_bankruptcies towards charged off.
- Borrowers with category B and C and are not verified caused the 50% of charged off.

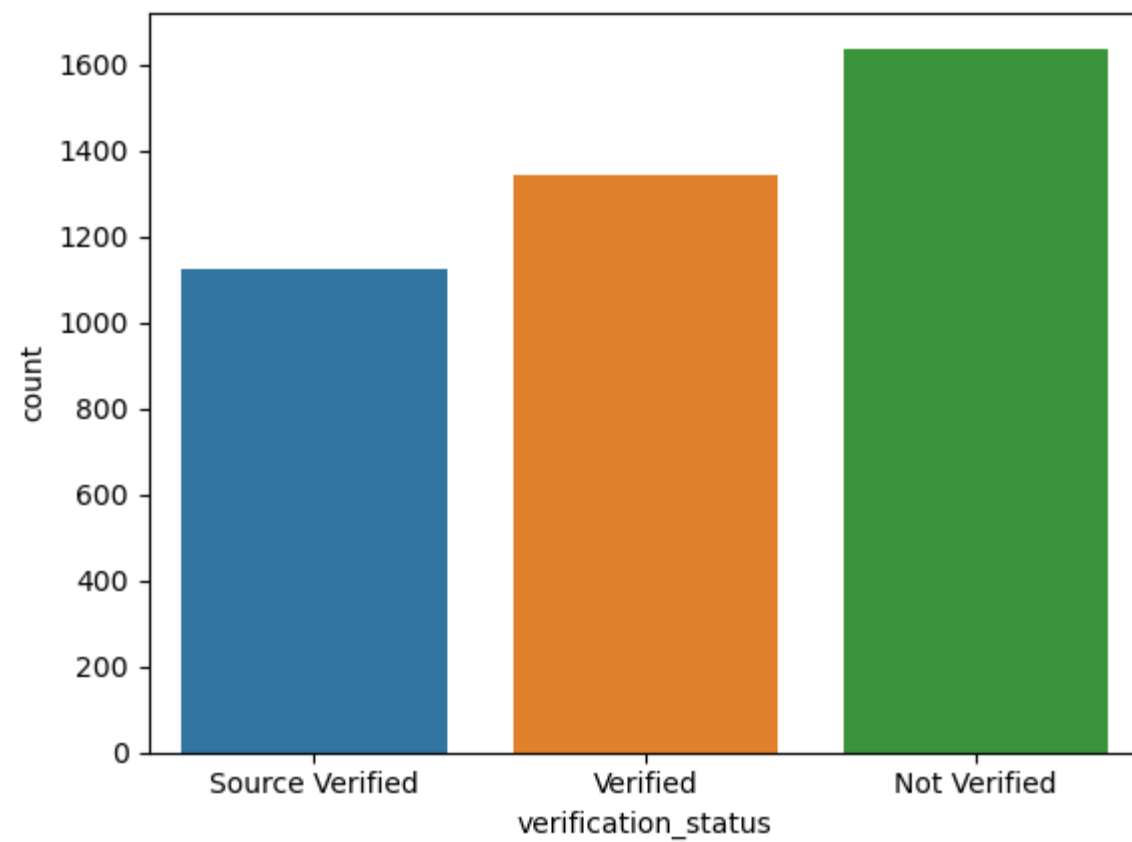
Therefore, B and C grade without verified status.

- Borrowers living in Rented homes.
- purpose of the loan is debt_consolidation.

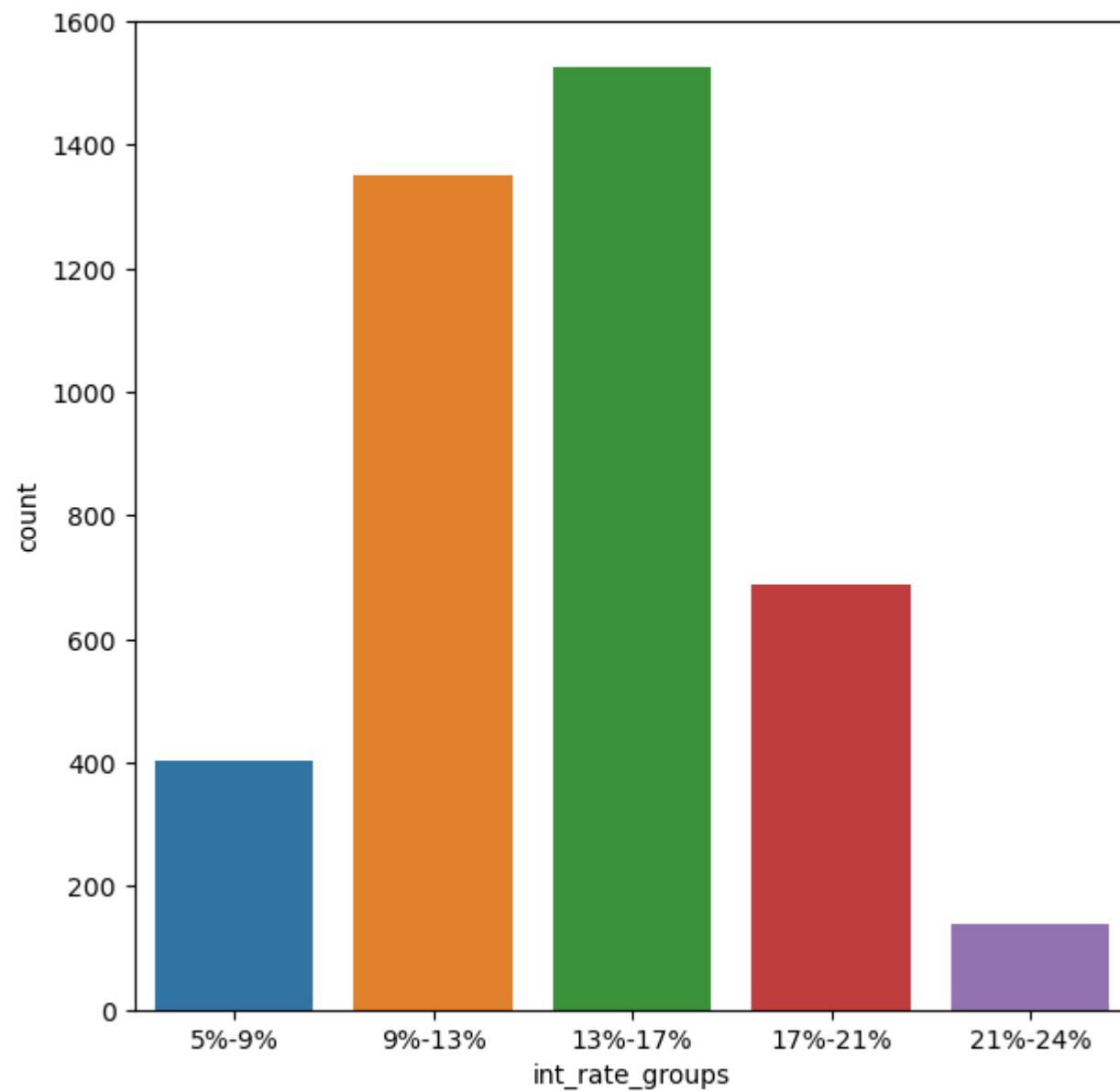
Borrowers having MORTGAGED home with annual income > 50k



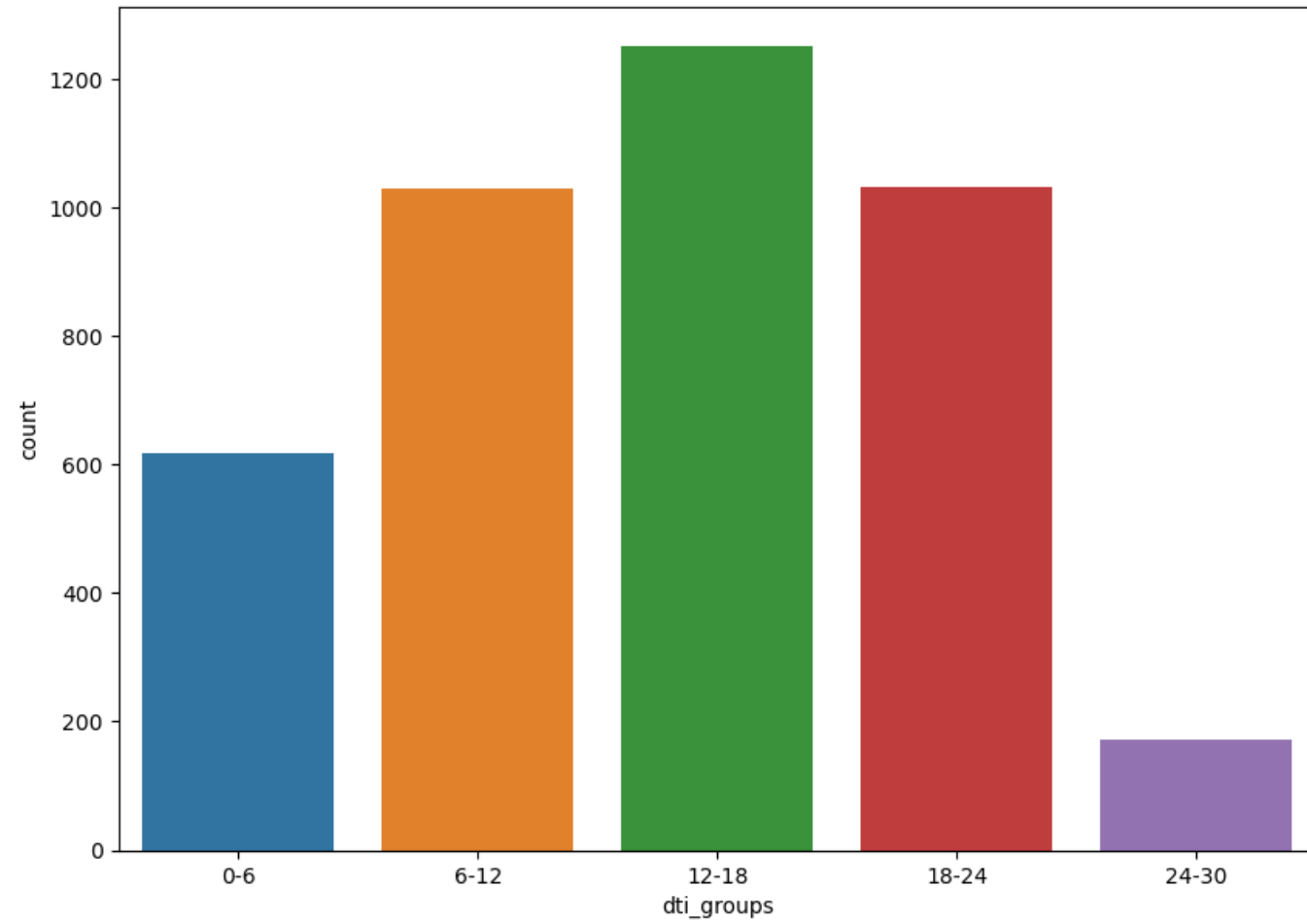
Borrowers with verification status as Not Verified



Borrowers given loan on interest rate between 9% to 13%

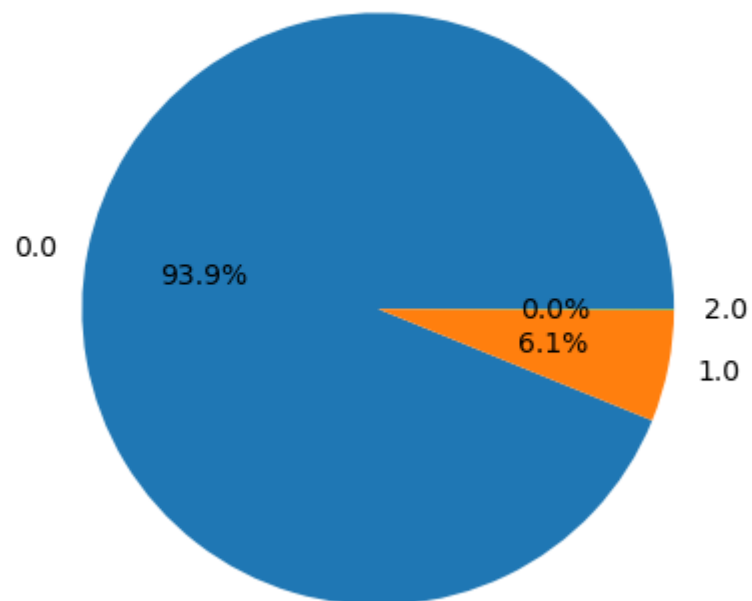


Borrowers dti between 12 to 18



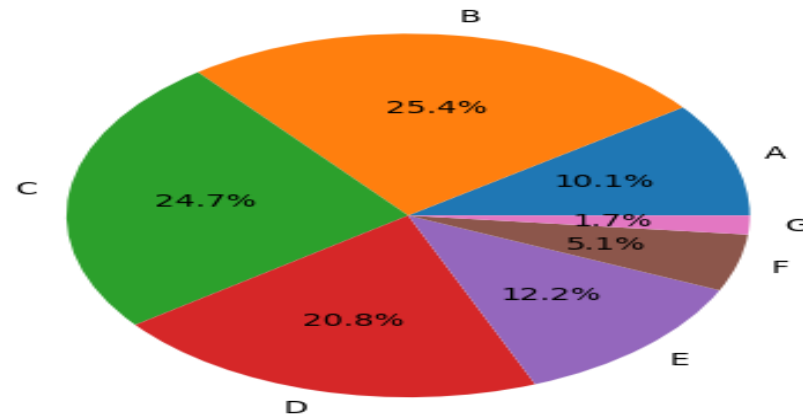
Borrowers without pub_rec_bankruptcies towards charged off

Plot for the pub_rec_bankruptcies towards charged off

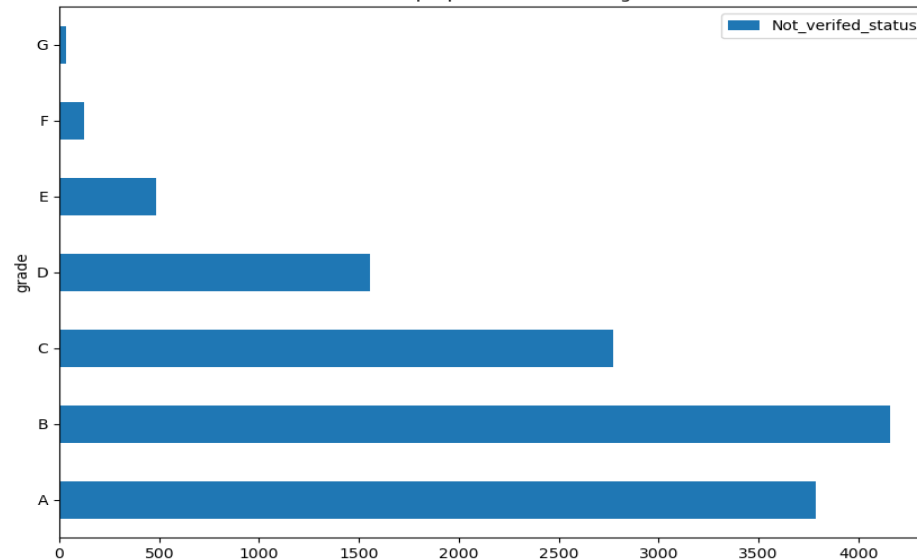


Borrowers with category B and C and are not verified caused the 50% of charged off and verified status

Plot for the Grade towards charged off

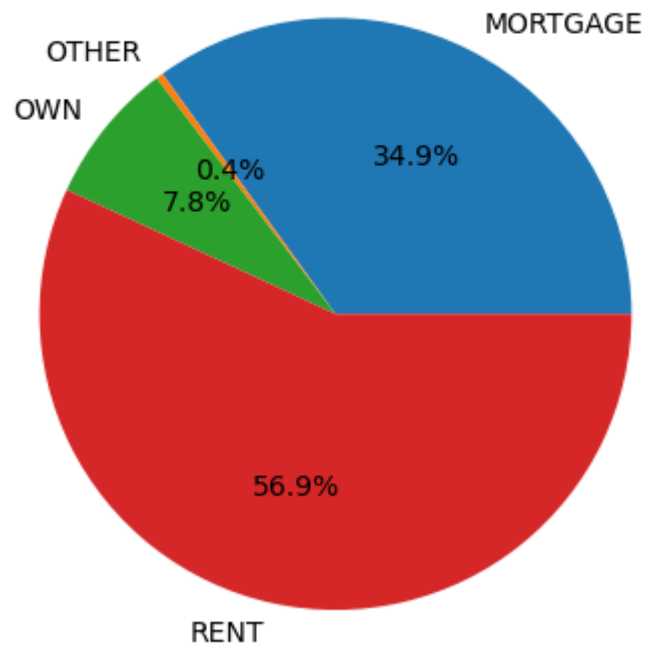


Plot for the purpose towards charged off



Borrowers living in Rented homes

Plot for the home_ownership towards charged off



purpose of the loan is debt consolidation

