**LendingClub**

**Target Variable:** loan\_status

Loan\_status has two labels. These are ‘fully paid’ and ‘charged off’.

To classify whether the new borrower will fully pay or charged off. On the basis of this classification, LendingClub will sanction loan amount.

**Problem Statement:**

**Null Hypothesis: H0**

The new borrower will not be charged off. He/She will full pay loan amount.

**Alternative hypothesis: H1**

The new borrower will be charged off.

**Note: We have assigned charged off as 1 and fully paid as 0.**