



- Lending Club: an online peer-to-peer (P2P) marketplace connecting the borrowers and investors.
- The biggest feature: application of technology in the online community so that to leverage the cost advantage and provide borrowers with affordable credit.
- Sustainable competitive advantage
- Risks

Therefore, I hope to have more detailed understanding about Lending Club's business over years BY

- Numerical analysis
- Textual analysis

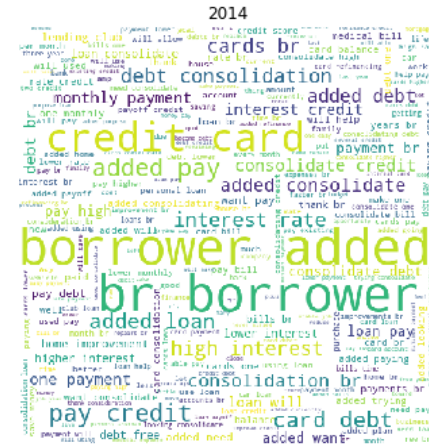
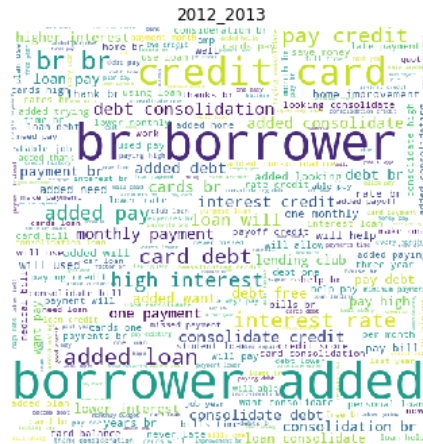
- Lending Club
It posts and keeps updating abundant information about the loans, rejections and borrowers' information, since 2007 to 2018 Q1. <https://www.lendingclub.com/info/download-data.action>
- Reuters News Archive
I scraped 3,279,343 Reuters Historical news from 2007 to 2018.

Total size of around 13GB contain humongous information in form of numerical data and text data.

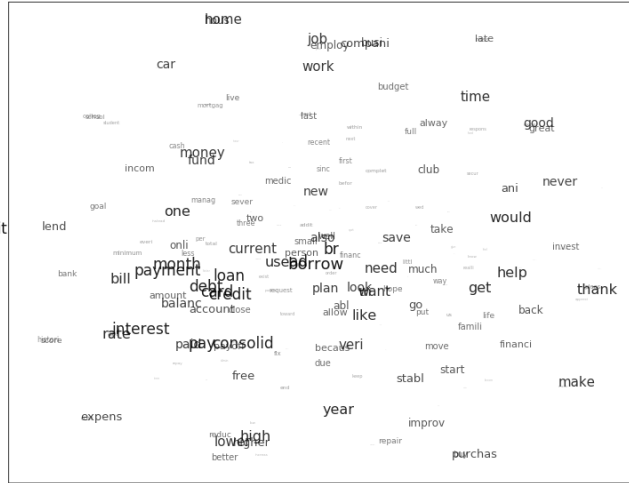
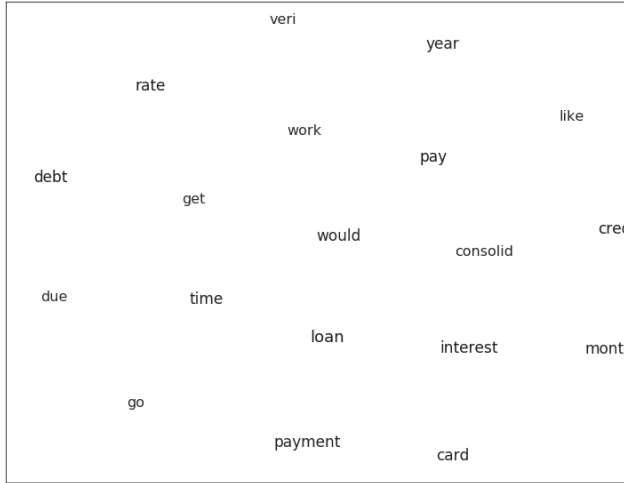
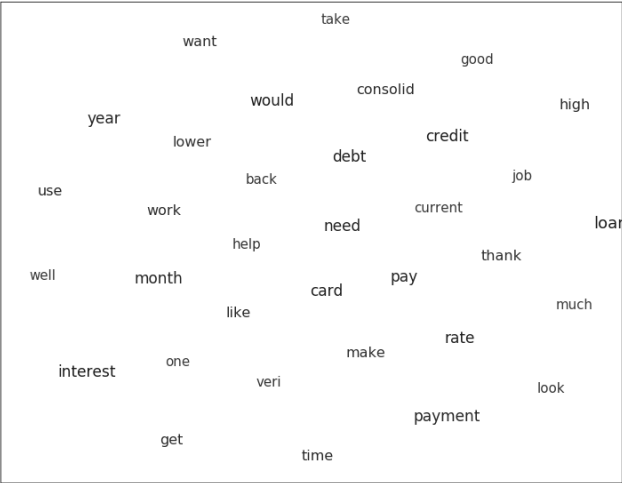
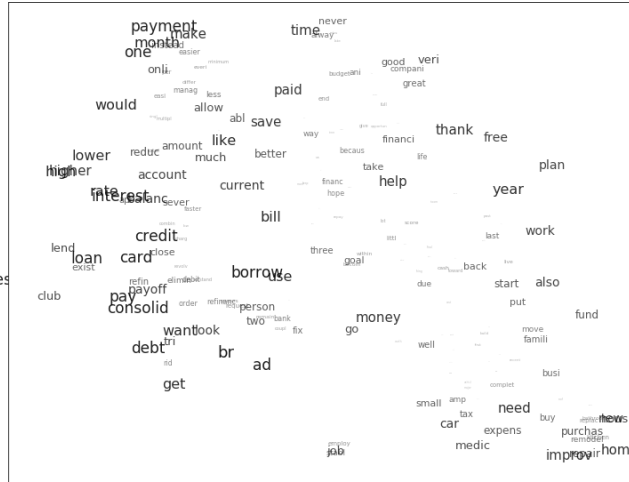
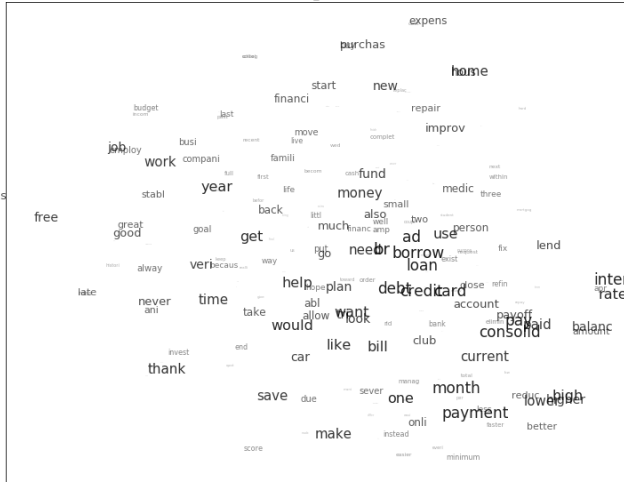
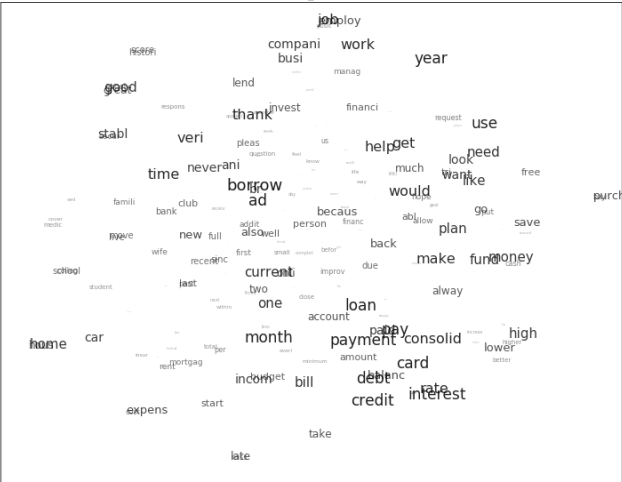
Lending Club formally started its co-borrower policy since March 1st, 2015, after its one-year successful testing.

- (1) How borrowers' behaviors changed
- (2) How option of co-borrow affected the interested rate of borrowers and the borrowers' grades assigned by Lending Club.

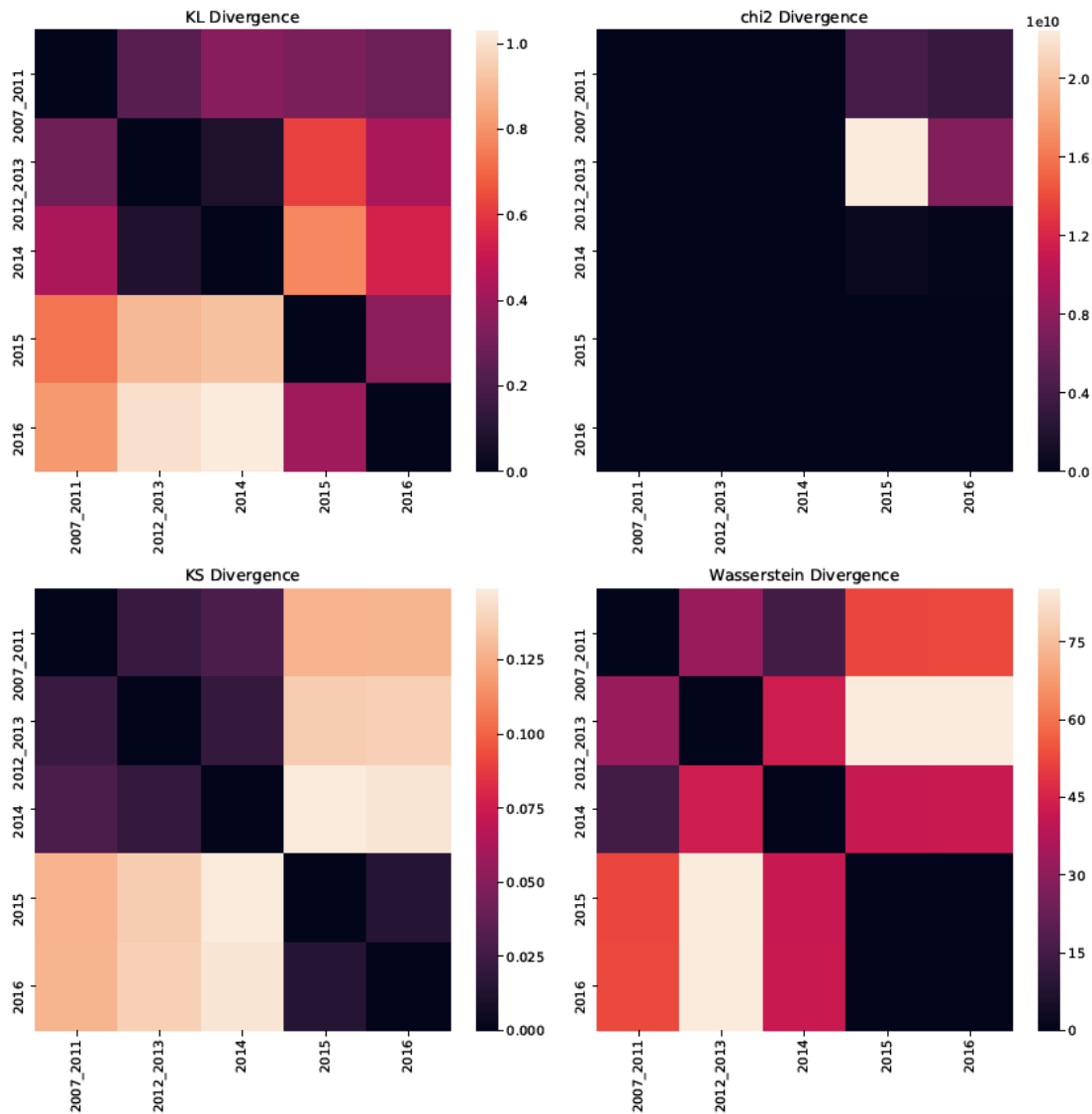
Motivation >> Data Sources >> Research Q >> Analysis I >> Analysis II



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		Dependent variable:					
		Interest Rate		Grade			
		Co-Borrower Basic	Co-Borrower Full	Co-Borrower Basic	Co-Borrower Full		
avg_cur_bal			-0.00001*** (0.00000)		0.00000*** (0.00000)		
chargeoff_within_12_mths			0.790*** (0.280)		-0.184*** (0.064)		
delinq_acc_2yrs			0.418*** (0.033)		-0.098*** (0.007)		
delinq_acc_now			0.485 (0.515)		-0.091 (0.117)		
delinq_amnt			0.00003 (0.0001)		-0.00001 (0.00001)		
delinq_nvr_rate			-0.063*** (0.003)		0.015*** (0.001)		
demo_emp_length	0.009 (0.006)	0.001 (0.006)	-0.003* (0.001)		-0.001 (0.001)		
demo_income	-0.00000*** (0.00000)	-0.00000 (0.00000)	-0.00000*** (0.00000)		-0.00000 (0.00000)		
demo_tax_liens	0.645*** (0.095)	0.347*** (0.088)	-0.152*** (0.022)		-0.084*** (0.020)		
dti			-0.001* (0.001)		0.0003* (0.0002)		
mort_acc			-0.417*** (0.051)		0.089*** (0.012)		
num_actv_bc_tl			0.252*** (0.020)		-0.058*** (0.005)		
num_bc_sats			-0.191*** (0.027)		0.045*** (0.006)		
num_bc_tl			-0.005 (0.017)		0.0002 (0.004)		
num_il_tl			-0.135*** (0.047)		0.024*** (0.011)		
num_op_rev_tl			0.266*** (0.018)		-0.061*** (0.004)		
num_rev_accts			-0.215*** (0.048)		0.043*** (0.011)		
num_sats			-0.585*** (0.149)		0.136*** (0.034)		
open_acc			0.499*** (0.150)		-0.116*** (0.034)		
percent_bc_gt_75			0.041*** (0.001)		-0.009*** (0.0002)		
revol_bal			-0.00002*** (0.00000)		0.00000*** (0.00000)		
tot_cur_bal			0.00000*** (0.00000)		-0.00000*** (0.00000)		
total_acc			0.136*** (0.047)		-0.025*** (0.011)		
total_bal_ex_mort			0.00000*** (0.00000)		-0.00000*** (0.00000)		
co_borr_revo_acc	-0.047*** (0.003)	-0.021*** (0.003)	0.010*** (0.001)		0.004*** (0.001)		
co_borr_mort_acc	-0.241*** (0.015)	-0.007 (0.019)	0.052*** (0.003)		-0.0004 (0.004)		
co_borr_income	-0.00000*** (0.00000)	-0.00000*** (0.00000)	0.00000*** (0.00000)		0.00000*** (0.00000)		
co_borr_dti	0.152*** (0.003)	0.126*** (0.004)	-0.034*** (0.001)		-0.028*** (0.001)		
co_borr_chargeoff	0.377*** (0.059)	0.352*** (0.054)	-0.079*** (0.013)		-0.074*** (0.012)		
Observations	46,192	46,192	46,192		46,192		
R2	0.106	0.242	0.101		0.236		
Adjusted R2	0.105	0.240	0.099		0.235		
Residual Std. Error	5.135 (df = 46128)	4.730 (df = 46091)	1.168 (df = 46128)		1.076 (df = 46091)		

Note:

*p<0.1; **p<0.05; ***p<0.01