

## **Who Borrows From Lending Club and Why Do They Borrow?**

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Peer-to-Peer (P2P) lending is the process of lending between individuals and is one of the oldest forms of money transfer. It occurs as microfinancing or crowdfunding, and online lending is becoming more accepted as a way to borrow. The rise in P2P lending is partly due to recent financial crises and increasingly stricter borrowing rules. Not enough people realize P2P lending is an option, and they utilize more expensive borrowing avenues. Addressing this problem sheds light on a cheaper borrowing option. This paper delivers a profile of who borrows from Lending Club and the reason for borrowing. It uses the 2015 Approved Loan dataset provided from LendingClub.com. We expect that homeowners will get a lower rate than those who hold mortgages or those who rent.

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