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| **5320 Memorandum** | E:\Users\bergg\Documents\My Templates\Word\Accountancy\Accountancy\Accountancy_color_h.jpg |

To: 4320 students

From: Dr. Gary G. Berg

Date: September 23, 2025

Re: ACCT 5320 assignments 4 (Lending Club – Rejected Loans)

**Assignment 4:**

1. This is a pivot table assignment using Lending Club Rejected Loan Requests for one and two, year 2019..
	1. Download the file Access database file from class web site
	2. This file has over two million records
2. This assignment will require
	1. **scrubbing the data in Access using action queries & creating additional tables using action queries that will be needed for statistical analysis**
	2. Using Power Query to link to the Access database data
		1. Connection adding to data model
	3. Doing pivot table analysis and T-test analysis in Excel using power pivot and data analysis toolpak.
3. **There are several short Zoom presentations to provide guidance for this assignment.**
4. **Give all pivot tables and T-test analysis sheets meaningful names**
5. **Clean the Access data** (using action queries)
	1. to deal with missing use Is Null
		1. Remove records with missing risk score or risk score of zero.
		2. Remove records with missing debt-to-income score, score of zero, or a negative score
		3. Remove records with employment length missing n/a.
6. **Using action queries, create the necessary 8 tables in Access that will be needed for T-test analysis**
	1. **Fico poor & Vantage poor (combine vantage very poor and poor)**
	2. **Fico Good (combine Fico good and very good) & Vantage good**
	3. **FICO Fair & Vantage Fair**
	4. **Fico Excellent & Vantage Excellent**
7. **Data transformation in Excel**
	1. **Create fields for the FICO risk score bucket and the VANTAGE risk score buckets below.**
	2. **assign a bucket classification for each record using the classification** below.

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| FICO | VANTAGE |
| 300-579 Poor580-669 Fair 670-739 Good740-799 Very Good800-850 Excellent | 300-499 Very Poor500-600 Poor601-660 Fair661-780 Good781-850 Excellent |

* 1. **Create a field for a debt-to income bucket (data is in decimal format)**
	2. assign a **DTI bucket** classification for each record based on the classification below.
		1. DTI’s <10% are low,
		2. DTI’s >= 10% and <= 20% are medium, and
		3. > 20% is high.
1. **Create the following pivot tables to compare FICO to Vantage in 2013 to 2014 using power pivot**
	* 1. Number of rejected loans in each FICO and Vantage risk bucket and percentage breakdown
		2. Number of rejected loans in each DTI bucket and percentage breakdown
		3. Number of rejected loans based on employment length and percentage breakdown
		4. Number of rejected loans by state and percentage breakdown
2. **T-Test analysis to determine if significant differences between**
	1. **Fico poor vs Vantage poor (combine vantage very poor and poor)**
	2. **Fico Good (combine good and very good) vs Vantage good**
	3. **FICO Fair vs Vantage Fair**
	4. **Fico Excellent and Vantage Excellent**
3. **Management would also like to know which states account for approximately 50% of the rejected loans over the two years. This can be answered by doing an additional pivot analysis (Hint: % running total)**
4. **Right up a report in word for management that summarizes the results of your analysis addressing the following questions and include the appropriate exhibits in your summary to validate your answers.**
	1. What factor or factors seems to be the main reason for loan rejections and why would this be the case? Explain
	2. Are there any trends in the analysis?
	3. Are there any issues with the assumptions made for deleting records in the data scrubbing process? Explain.
	4. If your statistical analysis indicates significant differences, what do you think drives the differences.
	5. Would you recommend any change to your pivot analysis? If so, what additional analysis would you do with the data provided. Explain.
	6. Are there any issue based on assumptions you made in comparing FICO to Vantage
	7. Which would you recommend basing decision based on FICO or Vantage? Explain
5. **You can use the paste special feature to copy and paste your pivot exhibits into your word document as an image**
	1. Word for windows formats are
		1. Enhanced metafile(preferred)
		2. Png??
		3. Bitmap
	2. I do not know the format that word for MAC would use
6. **Submit the completed word file and Excel Analysis via the D2L dropbox**.
	1. Files submitted to the wrong dropbox will receive a **grade of 0**
	2. **On rare occasions, a file may be corrupted in the upload process to D2L. It is your responsibility to make sure that you upload the correct file and to make sure the file uploaded correctly. . Failure to do so will result in a grade of zero**
7. This is **not a** group assignment. Students should work independently.
	1. **Copying/plagiarism** will result in a **grade of 0** for all parties involved.
8. **Due on 9-28-2025, 11:30 p.m.**
9. **Remember, file must be virus free**. (**Any assignment received containing a Virus receives a grade of 0)**

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Source: Experian

What Is a Good FICO® Score?

The base FICO® Scores range from 300 to 850, and a good credit score is between 670 and 739 within that range.

[FICO](https://www.experian.com/blogs/ask-experian/fico-score-what-it-is-and-why-its-important/) creates different types of consumer credit scores. There are "base" FICO® Scores that the company makes for lenders in multiple industries to use, as well as industry-specific credit scores for credit card issuers and auto lenders. FICO's industry-specific credit scores have a [different range](https://www.experian.com/blogs/ask-experian/infographic-what-are-the-different-scoring-ranges/)—250 to 900. However, the middle categories have the same groupings and a "good" industry-specific FICO® Score is still 670 to 739.

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## What Is a Good VantageScore?

[VantageScore's](https://www.experian.com/blogs/ask-experian/what-is-a-vantagescore-credit-score) first two credit scoring models had ranges of 501 to 990. The two newest VantageScore credit scores (**VantageScore 3.0 and 4.0) use a 300 to 850 range**—the same as the base FICO® Scores. For the latest models, VantageScore defines 661 to 780 as its good range.

