

The Post-Information Economy

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*“As a practicing attorney,
do online peer lending platforms obey fair lending laws?”*
-- Cynthia D. New York City.

Ask the #DigitalSkeptic - Are Robot Lenders Racists?

Peer to peer lending and fair lending regulations: A geographical essay.

"As a practicing regulatory attorney, do automated Web-lending platforms obey fair lending laws?" Cynthia D. -- New York City.

Cynthia in these 'best of times/worst of times' modern times, not even Web robots trained to borrow and lend money can change the stubborn questions of race and ethnicity.

Web loan bellwethers like Lending Club and Prosper claim to have lent at combined \$10 billion since 2008.

And more Web cash stores are opening all the time.

Where the Money Goes

The greener the area, the more was probably lent.

Web lenders post lots of information. Anybody can download data on over 19,000 Lending Club loans. With this much activity it's hard to imagine how race and ethnicity could not play some sort of role.



Lending Club Statistics



Platform: [Highlights](#) | Public Note Offering: [Investor Performance](#) | [Loan Statistics](#) | [Download Data](#)

Want to slice and dice the data? Help yourself to the following exports of our loan databases.

DOWNLOAD LOAN DATA

These files contain complete loan data for all loans issued through the time period stated, including the current loan status (Current, Late, Fully Paid, etc.) and latest payment information. The file containing loan data through the "present" contains complete loan data for all loans issued through the previous completed calendar quarter. [Sign in](#) to download the full version of the files.

2007 - 2011

[Download CSV](#)

(9,224kb)

2012 - 2013

[Download CSV](#)

(25,601kb)

2013 - 2014

[Download CSV](#)

(23,938kb)

2015 - 03/31/15

[Download CSV](#)

(8,087kb)

DECLINED LOAN DATA

These files contain the list and details of all loan applications that did not meet Lending Club's credit underwriting policy.

2007 - 2012

[Download CSV](#)

(9,750kb)

2013 - 2014

[Download CSV](#)

(30,115kb)

2015 - 03/31/15

[Download CSV](#)

(6,035kb)

DATA DICTIONARY

The Data Dictionary includes definitions for all the data attributes included in the Historical data file and the In Funding data file.

Pivot Sum (1) - Excel

blum@blumsday.com

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW ADD-INS DYMO Label ESRI MAPS

Clipboard Font Alignment Number Styles Cells Editing

AutoSum Fill Clear Sort & Filter Find & Select

	A	B	C	D	E	F	G	H	I	J
1	Row Labels	State	Count of id	Sum of total_pymnt	Sum of total_pymnt_inv	Sum of total_rec_int	Average of fico_range_high	Average of fico_range_low		
2	352	AK	1	4100.76	3705.8	1273.89	734	730		
3	363	AK	1	22972.73	22915.35	2972.73	719	715		
4	995	AK	33	435569.2744	395567.74	71654.64	716.2727273	712.2727273		
5	996	AK	14	166135.2304	133390.88	42554.05	715.0714286	711.0714286		
6	997	AK	21	317833.08	303327.58	78347.77	717.3333333	713.3333333		
7	998	AK	10	114249.8488	114132.71	23150.91	692	688		
8	999	AK	1	2342.9	2342.9	805.77	669	665		
9	350	AL	57	653299.283	615717.78	131283.12	727.9473684	723.9473684		
10	351	AL	32	385295.5151	380678.16	69701.19	719.46875	715.46875		
11	352	AL	61	692121.3372	678082.59	143397.24	718.2622951	714.2622951		
12	353	AL	1	12364.7	12208.11	1614.7	674	670		
13	354	AL	21	257874.7	242401.73	57028.16	728.7619048	724.7619048		
14	355	AL	10	135744.127	131759.12	20736.2	745	741		
15	356	AL	32	370002.303	338370.56	66708.78	714.3125	710.3125		
16	357	AL	26	331295.2786	327333.18	50490.71	726.3076923	722.3076923		
17	358	AL	18	161235.8982	159719.48	32307.83	724.8333333	720.8333333		
18	359	AL	16	182542.7973	180539.96	36610.47	709.9375	705.9375		
19	360	AL	23	231480.1428	206979.9	44511.41	721.826087	717.826087		
20	361	AL	22	296133.0668	289218.01	76465.4	720.5909091	716.5909091		
21	362	AL	11	127047.1442	99586.36	23943.22	720.3636364	716.3636364		
22	363	AL	23	297527.1399	295055.89	87017.12	716.6086957	712.6086957		
23	364	AL	5	32684.11	32655.97	5731.13	699	695		
24	365	AL	27	257292.8527	253092.09	43313.95	724	720		
25	366	AL	36	417557.7475	387504.4	69174.3	729	725		
26	367	AL	4	26579.89	20301.57	3505.77	746.5	742.5		
27	368	AL	26	348312.5012	338300.26	89434.47	722.6538462	718.6538462		
28	369	AL	1	1342.723702	1342.72	142.72	714	710		
29	711	AR	1	1658.25	1616.7	343.7	704	700		
30	716	AR	11	121867.18	121208.67	34844.94	708.5454545	704.5454545		
31	717	AR	9	60890.46	57442.71	12475.69	713.4444444	709.4444444		
32	718	AR	7	54473.19053	54173.21	4491.88	738.2857143	734.2857143		
33	719	AR	12	114590.4606	109375.04	18528.05	717.75	713.75		
34	720	AR	40	459511.142	450857.86	76185.47	723.875	719.875		
35	721	AR	29	408568.8332	380286.41	67936.94	710.5517241	706.5517241		
36	722	AR	22	222470.9559	220667.32	36340.7	720.8181818	716.8181818		

Ask the #DigitalSkeptic - Are Robot Lenders Racists?

And more Web cash stores are opening all the time.

Where the Money Goes

The greener the area, the more was probably lent.

Web lenders post lots of information. Anybody can download data on over 19,000 Lending Club loans. With this much activity it's hard to imagine how race and ethnicity could not play some sort of role.

To get a feel for those loans, I chatted with Simon Thompson, director of commercial solutions for Esri, a Redland Calif.-based mapping company. We agreed it was fair to render that information in a map story.

That's what's to the right: The total lent in each US 3Zipcode.

Mapping the Terrain of Diversity

The bluer the area, the more diverse it probably is.

The numbers behind diversity are delicate. The tool to sculpt them should be well traveled. I trust Esri's Diversity Index. It has been used in thousands of studies.

It is displayed here as a map. It is the percent chance that two people of different ethnic and racial backgrounds would meet in a U.S. county.

There are many nuggets: Try Baltimore. Yes, there's been racial violence; but Washington D.C. is significantly more diverse.

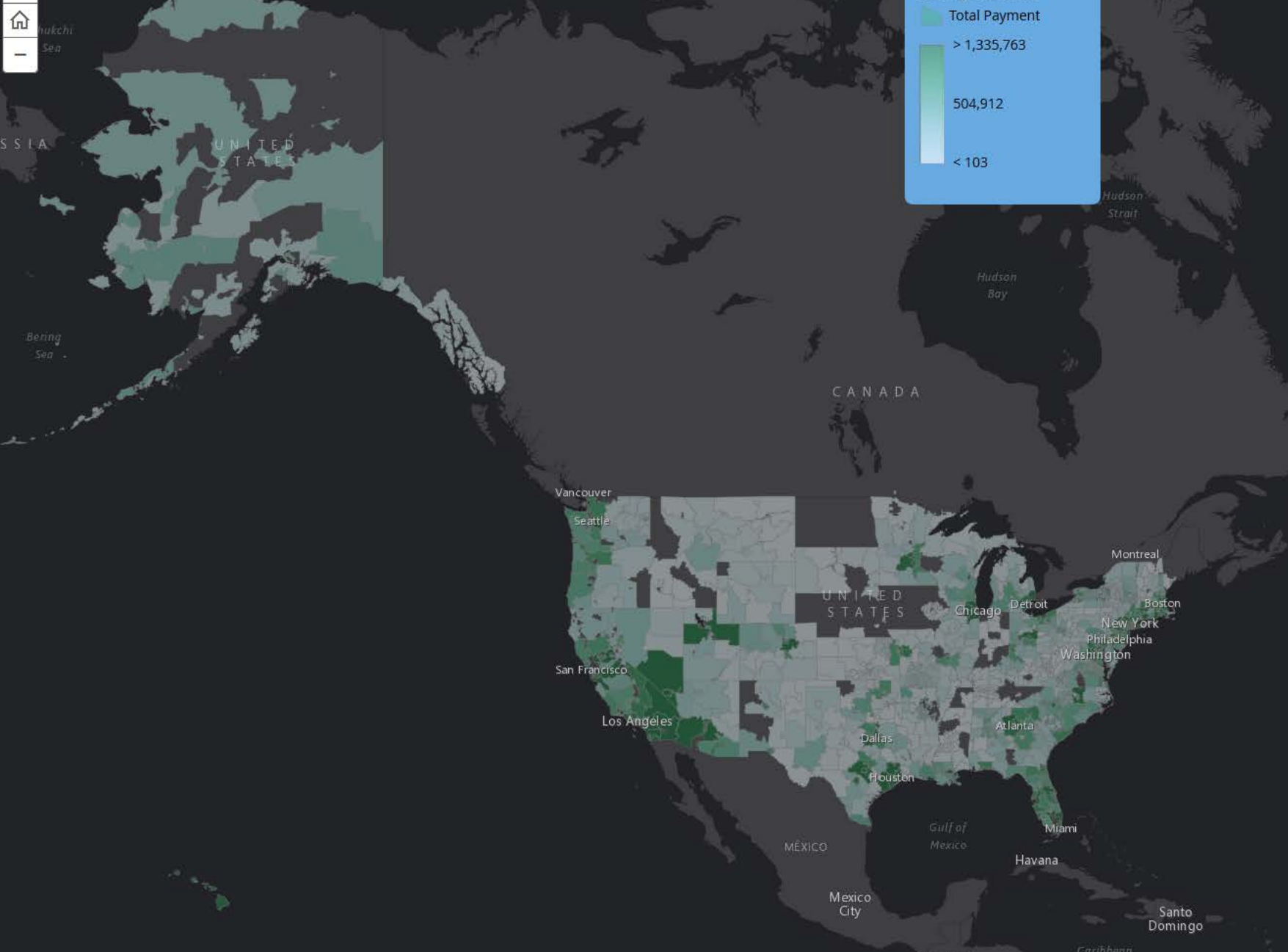
Why?

The Jagged Fair-Lending Geography

The purer the blue, the more diverse -- but less funded.
The purer the green, the more funded -- but less diverse.

To get a feel for who's sitting where in the peer-lending bus, let's overlay the total lent and the diversity index. Immediately, it's clear not everyone is getting same web lending seats.

#digitalskeptic



LEGEND

LendingClub Loans

- Total Payment
- > 1,335,763
- 504,912
- < 103

OVERVIEW MAP

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Los Angeles - \$5 Million Lent

Take central Los Angeles: \$5 some-odd million was lent. And there's a deep diversity blue but then...

[Show both Diversity and Loans](#)

[Turn off Loans](#)

[Turn off Diversity](#)

Lakeshore Cities

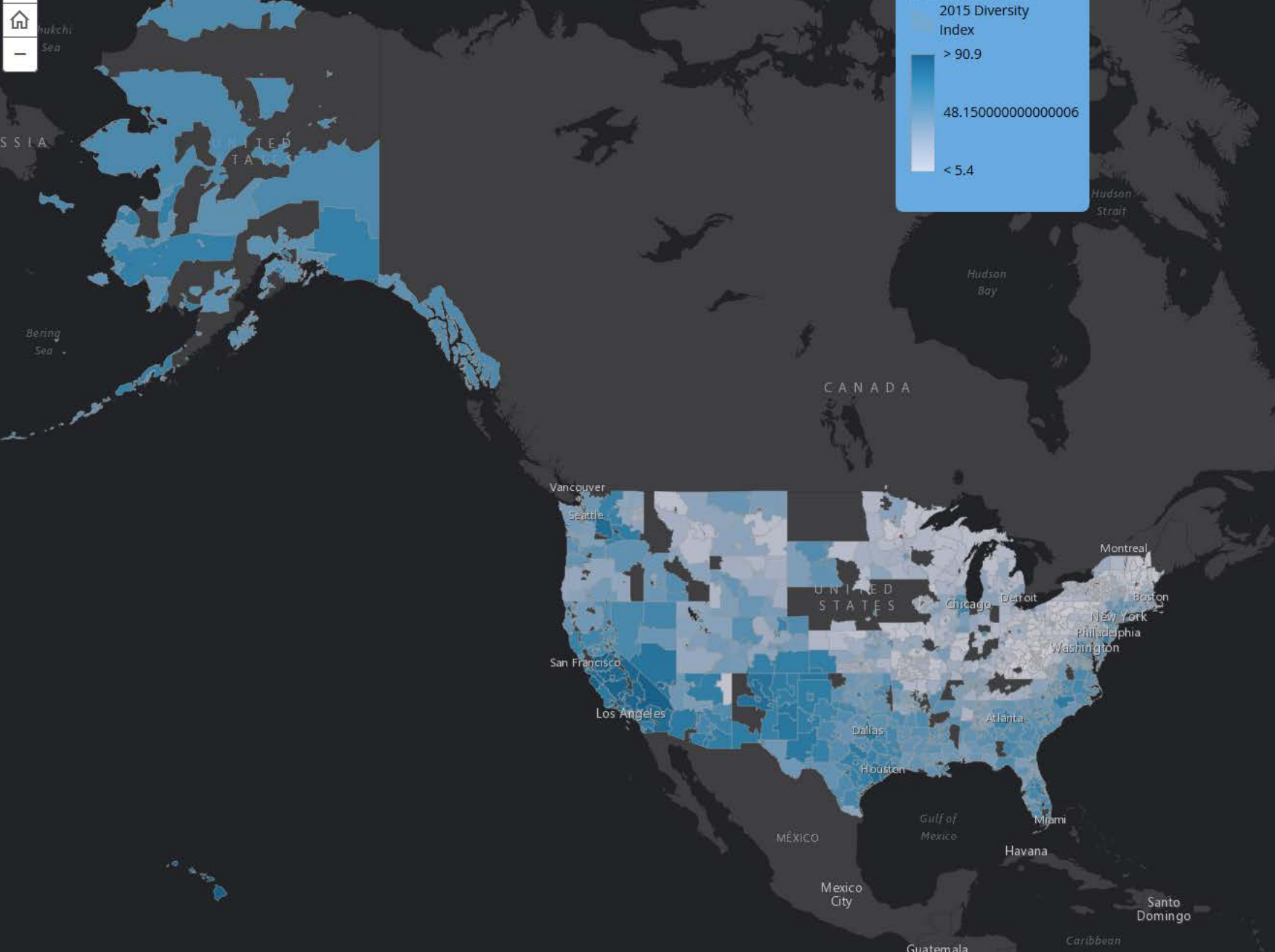
...there's Gary, Indiana, next door to Chicago.

Lending figures they are so feeble, we can't track them. Again, why?

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OVERVIEW MAP

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New York and Beyond

Pick an area and look for yourself.

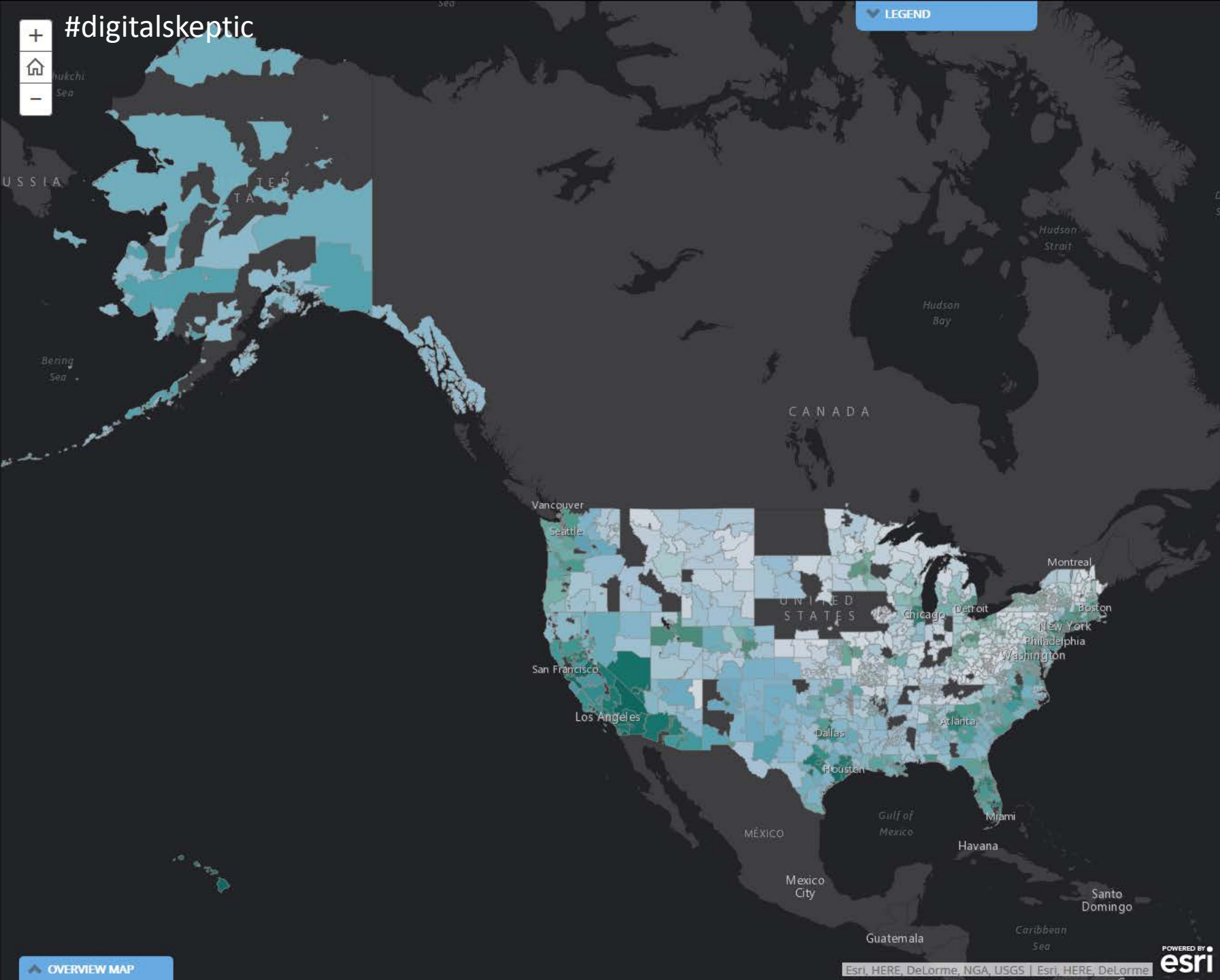
Go ahead, try a city you know. We highlighted New York, the southeast and several others. No matter where you look, results are uneven.

That should raise questions. Here are some:

- Did less lending mean less people applied? Or was less lent:
- Is it just a question of population? More loans may have gone to where more people live.
- Or might there be an ethnic factor. Say, Islamic lending. Do Muslims avoid peer loans?

Post your questions at @digitalskeptic

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Florida

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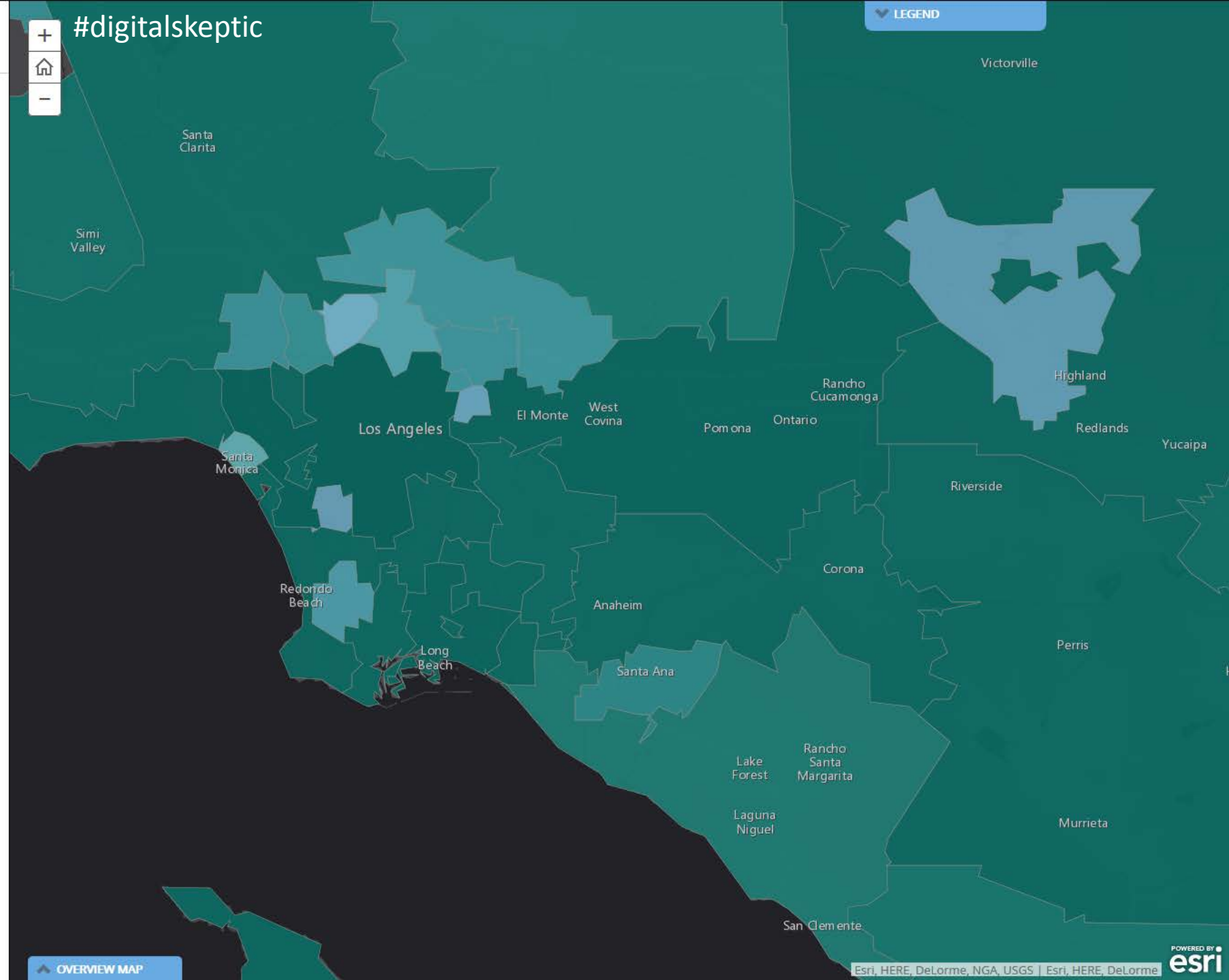
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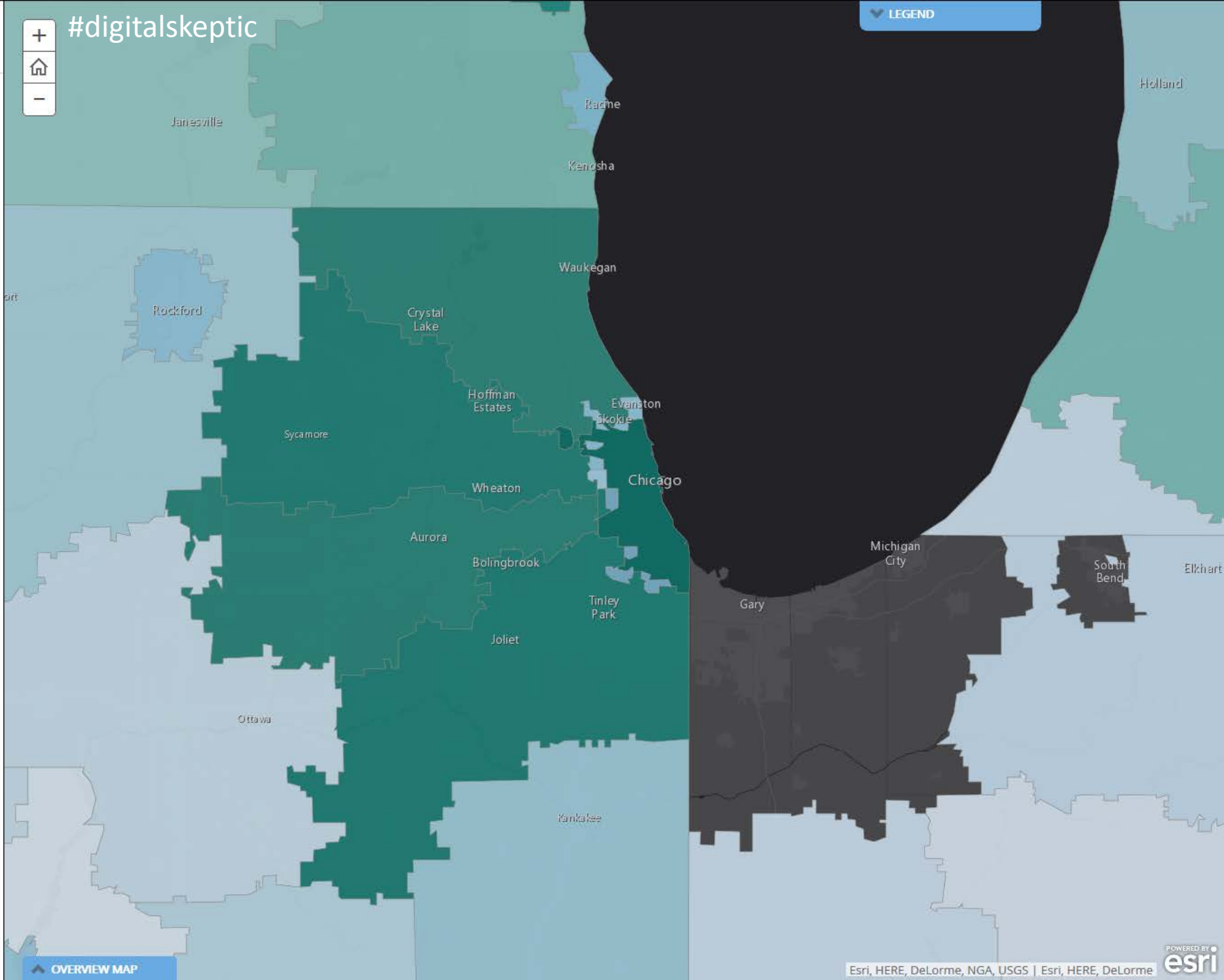
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South Eastern United States

Show both Diversity and Loans



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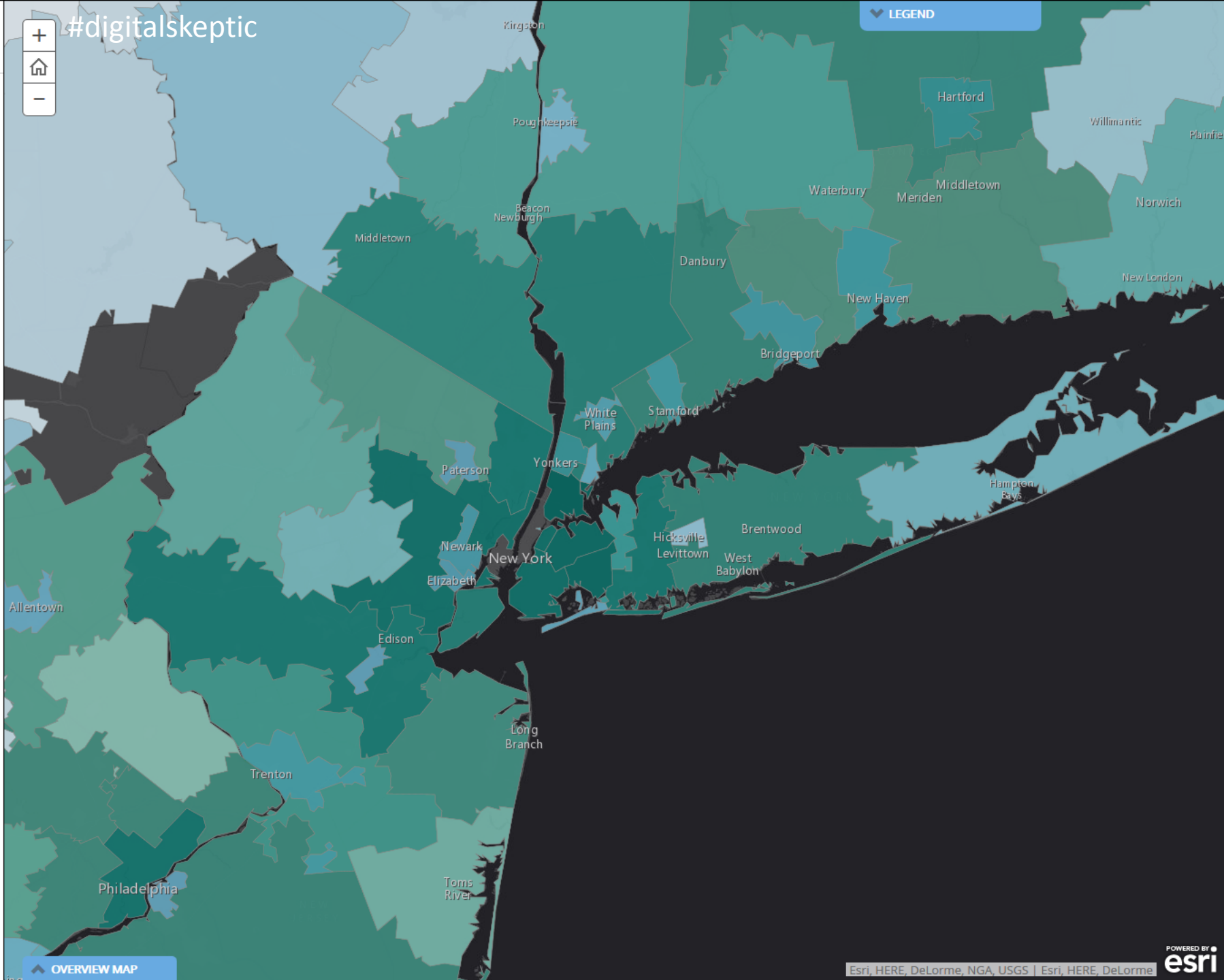
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Are Robot Lenders Racist?

A look a selective lending hotspots.



OVERVIEW MAP

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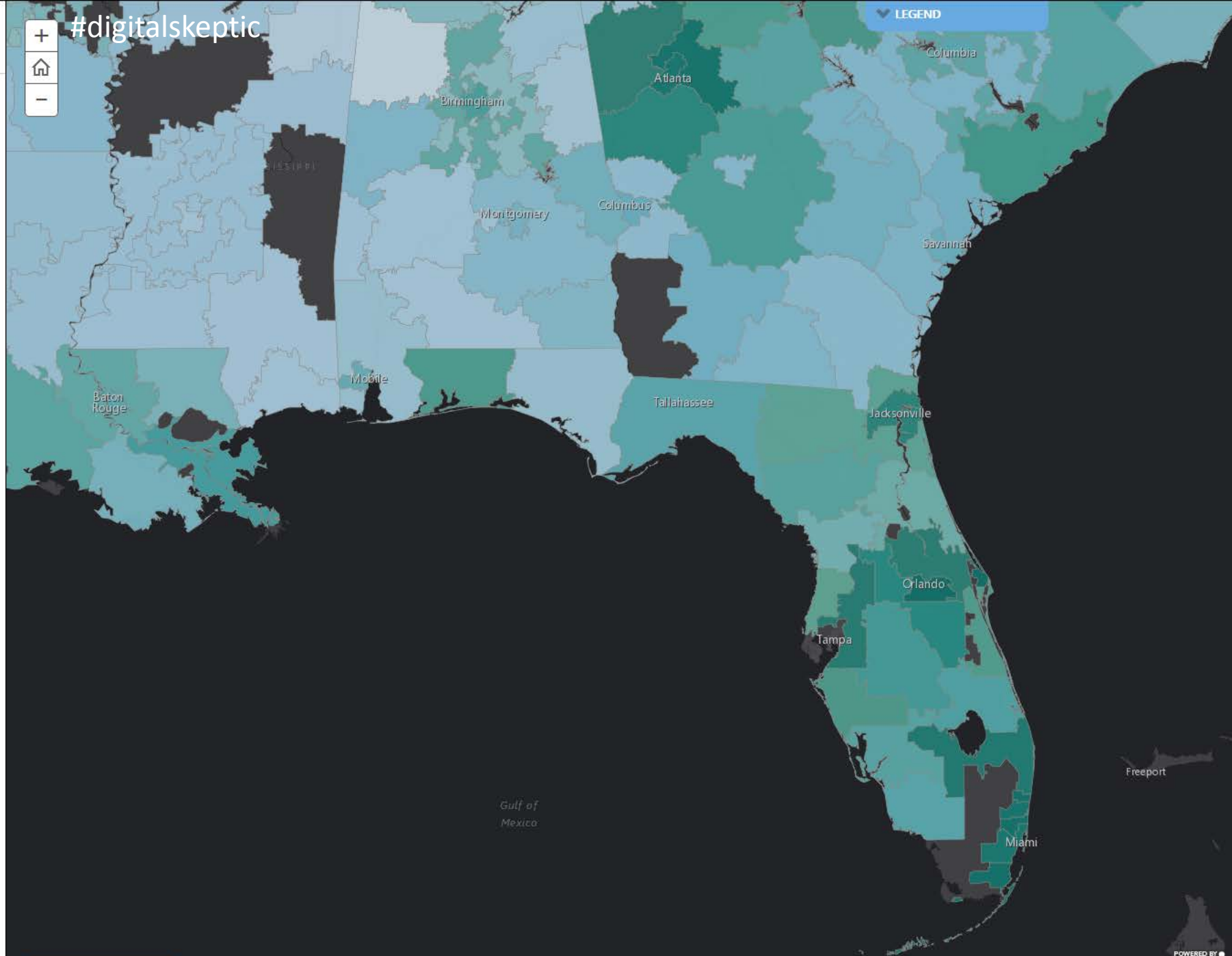
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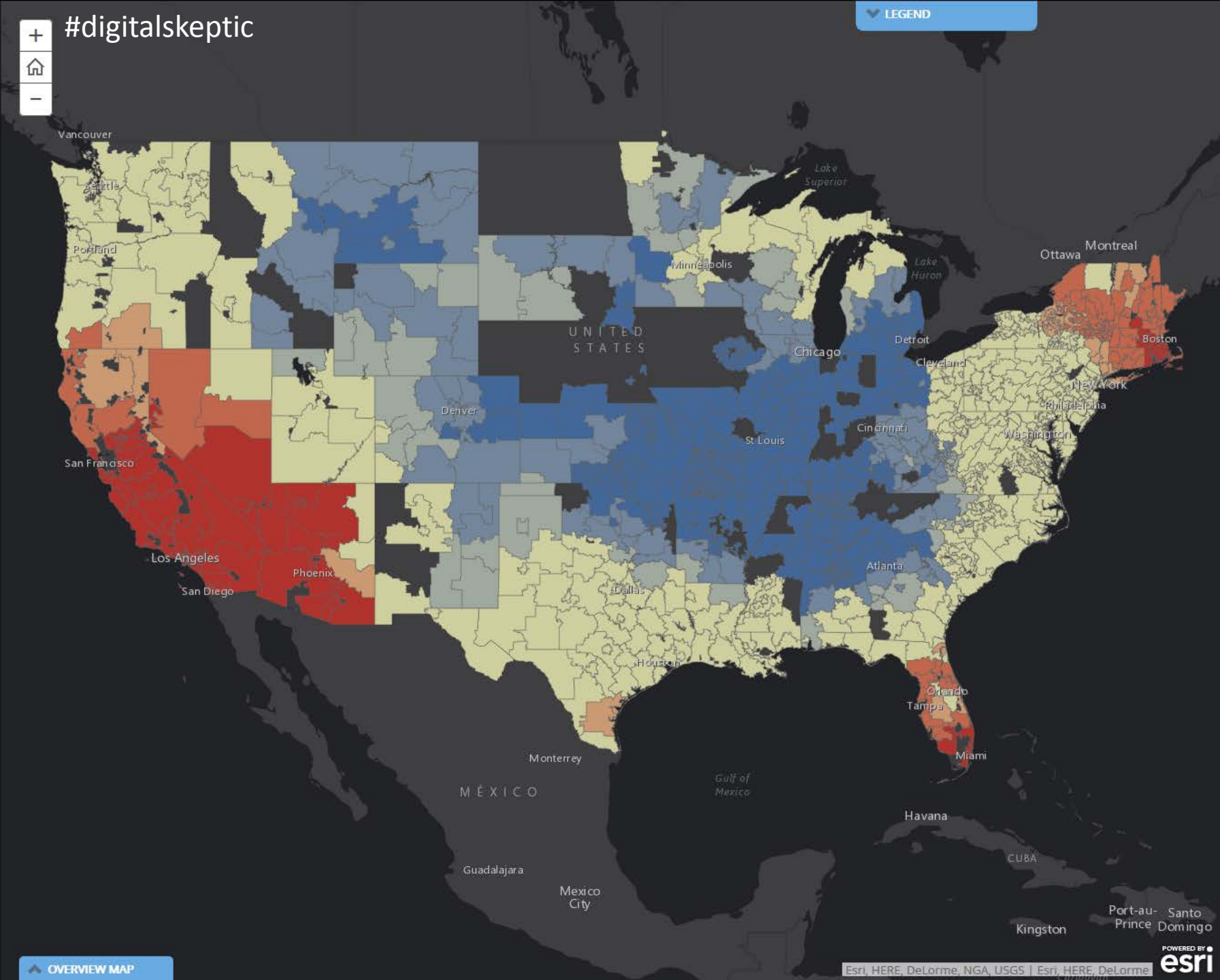
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What Works:

The #DigitalSkeptic's Guide to Thriving
in the Post-Information Economy.

Due Winter 2015

blum@blumsday.com/@DigitalSkeptic