DeVision «Credit Scoring»

MARKET

Quality and speed in decision-making, flexibility and transparency of business-processes become key factors for the successful development of Banks and financial institutions in the retail lending market.

Traditional assessment methods of individuals using experts are less effective with the increasing volumes of retail lending. The increase in offering the new loan products requires maximum automation of the process of customer's solvency assessment when granting a loan. It is necessary to take into account the whole range of information available on borrowers. Only in this case it is possible to take an equilibrated objective decision that will significantly reduce the loan risk with respect to the loan application.
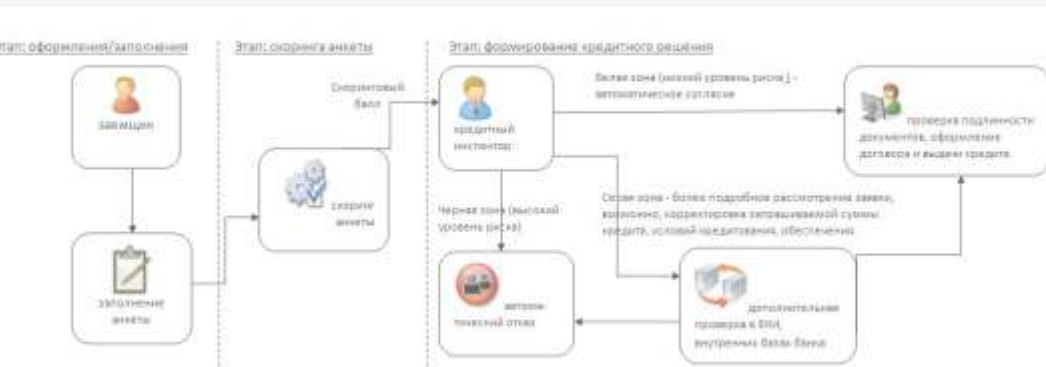
made in **FBS**

To manage these processes Banks and other credit institutions use a specialized tool – credit scoring systems. Credit scoring is a way to assess the loan worthiness of a person based on numerical statistical methods and establishing a predictive connection between the information on the borrower and the probability of loan repayment in full on time.

Solution DeVision "Credit Scoring" is a comprehensive solution to the problem of credit scoring for Banks that automates the process of assessing the loan worthiness of the customer and supporting decision making during retail lending. This solution consists of tools for processing and storage of information, tools for building and analysis of scoring models.

Показатель	Значение (диапазон значений) показателя	Скоринг-балл
Возраст	До 30 лет	30
	35 – 50 лет	35
	Старше 50 лет	28
Образование	Среднее	22
	Средне специальное	29
	Высшее	35
Состоит ли в браке	Да	25
	Нет	12
Брал ли кредит ранее	Да	41
	Нет	22
Трудовой стаж	Менее 1 года	16
	От 1 до 5 лет	19
	От 5 до 10 лет	24
	Более 10 лет	31
Наличие автомобиля	Да	49
	Нет	18
Возраст автомобиля	Менее 3-х лет	45
	От 3 до 7 лет	25
	Старше 7 лет	18

Solution DeVision "Credit scoring" carries out the following functions:

→ primary check of application data;

→ control of the reliability of information submitted and analysis for potential fraud;

→ analysis of the interaction history with the given customer: existence of deposits, loan repayment history, etc.;

→ check in the databases: "stop list", "black lists", automatic request to BCH;

→ calculation of scoring points of the borrower, calculation of the "default" probability (no refund);

→ recommendation of the system on the loaning parameters: definition of a suitable product and loan limits.

For each loan product it is possible to customize a proper decision making strategy

SCORING MODELS CONFIGURATION

> The Scoring model is a mathematical model allowing to compare diverse characteristics of the borrower the numerical value (scoring point) assessing the "default" probability (no refund in time)

To build a scoring models DeVision "Credit scoring" uses Oracle Data Miner – an advanced tool for processing and analysis of large volumes of data in order to identify patterns and dependencies. The system enables the detailed preparation and configuration of the initial data to build the models.

As a rule, scoring models are developed based on historical data. Models of this kind are an objective tool for risk assessment, as opposed to subjective methods that are based on the views of bank loan officers.

The system may be used in the absence of historical data, particularly in the initial stages of the system exploitation. In this case, instead of real historical data "test" historical data are generated. Upon gradual accumulation of actual data a recalculation of scoring models and the replacement of "test" data with real one takes place.

> DeVision "Credit Scoring" enables the Bank's specialist to configure the scoring models separately for each credit product

BENEFITS

DeVision "Credit Scoring" offers the following possibilities and benefits:

→ automation of the process for assessing the loan worthiness of the borrower;

→ independent configuration and administration of an unlimited number of scoring models – for each credit product it is possible to adjust several separate models;

→ creation and administration of decision–making strategies individually for each credit product;

→ use the information from various data sources for a full borrower evaluation;

→ accumulation of information about the borrowers with subsequent analysis in order to adjust and develop new products;

→ monitoring of the risks level in retail lending and improvement of credit portfolio.
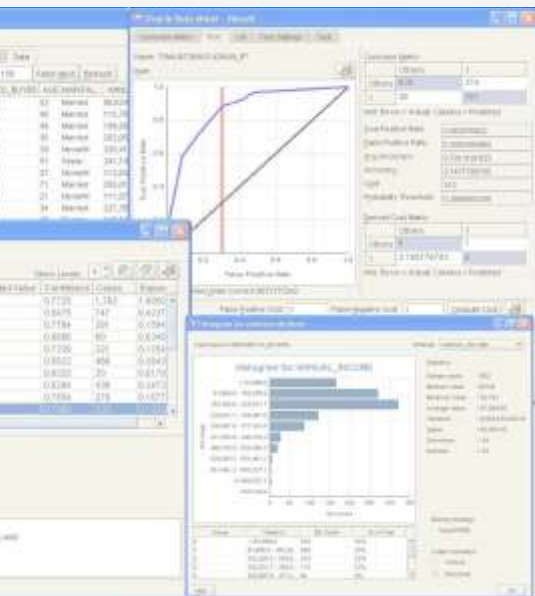
Always in progress!

FBS GROUP
Front Business Solutions

www.fbs-g.com | info@fbs-g.com | +373 22 83 77 55

Moscow bd. 6, Chisinau, MD-2068, Republic of Moldova