Variables

revol\_util(+). The amount of credit the borrower is using relative to all available revolving credit. Higher utility means the borrower is using more of his credit and is less likely to pay it back, resulting in high default probability.

int\_rate(+). Interest rate. Higher interest rate indicates borrowers need to pay more money back to the club. This will cause higher default rate.

total\_pymnt(-). Payment received for total amount. The more money already paid back, the less likely the loan would default.

ins\_to\_inc(+). A ratio defined as installment/annual\_inc. It describes the paying ability of the borrower. Higher ins\_to\_inc indicates either high installment or low annual income. Both have a negative influence on avoiding default.

last\_pymnt\_amnt(-). Last total payment received. It is negatively correlated with the probability of default.

inq\_last\_6mths(+). The number of inquiries by creditors during the past 6 months. This is a quite subjective because it depends on the action of creditors. The assumption is the creditors would inquiry a loan more often if they have doubt whether it would default or not.