

## Writing Sample 1

This sample is a passage from a larger project I'm working on. The project is about the application decisioning models development. These paragraphs cover the overview and the purpose of the models.

XYZ – name of a line of business

AAAA – a department that developed the model

ABC – a consumer credit reporting agency

DEF – another consumer credit reporting agency

XYZ custom scorecard is an account origination score primarily designed for application decisioning and risk rating for the XYZ portfolio. It is used to define risk grade and set cutoffs for underwriting and pricing treatment. The score will enhance the XYZ origination process by leveraging multiple custom scorecards with increased discrimination power and accuracy over legacy scorecards.

AAAA regularly performed ongoing monitoring activities to track performance of current scorecards. While the discrimination power stays acceptable, the monitoring reports highlighted limitations of models including overestimation of bad rate level and population stability shifts for some of the individual factors. XYZ also found that unexpectedly large proportion of applications were crowded in a single risk grade, which resulted in more investment in manual underwriting process. Additionally, XYZ is growing its business and targeting to a broader market while its losses have represented a large proportion of total company credit losses. Small improvements in the ability to assess credit risk can translate to material expense reduction. In collaboration with XYZ, AAAA addressed these issues by developing the origination models against the most recent data.

During the initial screening phase, the XYZ portfolio was segmented to three subdivisions: full file prime, full file subprime, and thin file. Scorecards based on attributes derived from ABC consumer credit reporting bureau information are developed across all three segmentations, while scorecards based on attributes derived from DEF are built for full file subprime and thin file. Additionally, FICO 9.0 and Vantage 4.0 are included respectively as part of the super score calculation.