

Capstone 2 – Project Proposal

Credit card approval prediction model using vintage analysis

Introduction

Vintage analysis is a method used for managing credit risk. It illustrates the behavior after an account was opened and identifies if accounts opened are riskier than others. Data is grouped into segments based on the original month.

Dataset

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<https://www.kaggle.com/rikdifos/credit-card-approval-prediction>

- 2 tables of data merged by ID (application record and credit record)
- Data has no prepared labels and must be constructed
- Rows = months of opening accounts and columns = months after opening
- Values are accumulate past-due rate
- 439,000 applicates

Approach

- Will use vintage analysis to construct label
- Define 'Good' and 'Bad'
- Observe window needs to be wide