Q: Are there any specific features that have a significant impact on the likelihood of loan default?

A: The current analysis did not yield clear insights into specific features driving loan defaults. This highlights the need for additional feature engineering to better capture relevant information.

Q: What are the limitations of the current model, and how might these impact its practical use?

A: Limitations include the lack of clear feature importance and the need for additional feature engineering. These factors may affect the model's ability to provide actionable insights without further refinement.

Q: Can you highlight the key features influencing the model's predictions?

A: Unfortunately, the logistic regression analysis did not reveal clear indicators of feature importance. Further exploration, possibly with tree-based models, may be necessary to identify influential features.

Q: How often is the model able to be updated?

A: Since the data is only reported quarterly, an active model would not be able to run batch or stream processing daily to learn and provide daily guidance to credit risk analysts.

Q: How transparent is the model and would it hold up to auditory and regulatory scrutiny?

A: The model is easy to decipher and is explainable to any regulatory body that would need to understand it for compliance purposes.

Q: How robust is the model as far as changes to the economic environment?

A: Since the model is simply at this time and no features really stand out as playing a huge part in its prediction capabilities, more analysis and feature engineering is required to be able to get it to the point where macroeconomic shifts are able to be interpreted and included.

Q: What inspired you to work on this project?

A: Risk assessment is a realistic problem that can come up in any industry, so we wanted to work with something that we could do out in our careers.

Q: Do you think this model is a model that could be used in practice?

A: As it stands right now, no this model would not be a good indicator for loan defaults. There would need to be adjustments to get better accuracy in the model. I think once the accuracy is improved then this model would be workable for practice.

Q: Would you approach this project in a different way know what you do now?

A: No, I think we worked well with what we had. The problems that we had with this model is that the features did not have a high enough correlation with the end goal, and I think if we had at least one factor that had a good correlation then we would have better control of the outcome.

Q: What would you say is the factor that most affects the predicted value in this model?

A: Just based on the correlations between loans that were paid in full and the amount of months in the term of the loan, I would choose that one. Yes, the gross amount of a charged off loan has a higher correlation but when it comes to factors before the loan has defaulted, the amount of terms can determine how high of a payment needs to be paid by the loaner. If those payments end up being too high for the payor to make, then that can lead to a default on the loan.