Variables as follows:

|  |  |
| --- | --- |
| key | unique id for account; |
| t | age of loan; |
| v | vintage (calendar time of origination); |
| x1 | static numeric variable (e.g. credit score); |
| x2 | static indicator variable (0/1); (e.g. first-time borrower). |
| h1 | hidden behavioural factor (random walk) |
| x3 | dynamic behavioural variable; |
| x4 | environment variable (zs[v+t]); |
| del | delinquency flag; |
| y | binary outcome (0 or 1). |
| pd | probability of default estimate from model |

Note that calendar time is given by c = t+v