Delinquency Telecom Model

**Definition:** Delinquency is a condition that arises when an activity or situation does not occur at its scheduled (or expected) date i.e., it occurs later than expected.

**Use Case:** Many donors, experts, and microfinance institutions (MFI) have become convinced that using mobile financial services (MFS) is more convenient and efficient, and less costly, than the traditional high-touch model for delivering microfinance services. MFS becomes especially useful when targeting the unbanked poor living in remote areas. The implementation of MFS, though, has been uneven with both significant challenges and successes.

Today, microfinance is widely accepted as a poverty-reduction tool, representing $70 billion in outstanding loans and a global outreach of 200 million clients.

One of our Client in Telecom collaborates with an MFI to provide micro-credit on mobile balances to be paid back in 5 days. The Consumer is believed to be delinquent if he deviates from the path of paying back the loaned amount within 5 days.

The sample data from our client database is hereby given to you for the exercise.

**Exercise:**

Create a delinquency model which can predict in terms of a probability for each loan transaction, whether the customer will be paying back the loaned amount within 5 days of insurance of loan   
(Label ‘1’ & ’0’)

Find Enclosed the Data Description File.

The Data for the Modeling Exercise can be found at

<https://drive.google.com/file/d/1MkykGEVgFFQyJcMkrDK33sR1jMcDn3OX/view>

**Scoring Mechanism**

To be revealed soon