Qualitative Dependent Variables

Amnt=the amount of the loan
annual_inc= The self-reported annual income provided by the borrower
bad_loans=1 if delinquent 0 if not
delinq_2yrs = The number of 30+ days past-due incidences of delinquency in the borrower's credit file for the past 2 years
dti = A ratio calculated using the borrower's total monthly debt payments on the total debt obligations, excluding mortgage and the requested loan, divided by the borrower's self-reported monthly income (as a percentage)
emp_length_num = Employment length in years
installment = The monthly payment owed by the borrower if the loan originates
int_rate = Interest Rate on the loan (in percentage)
owner =no. of properties the borrower has a claim.

Dependent Variable: BAD_LOANS
Method: ***Least Squares***
Sample: 1 218900
Included observations: 218900
White heteroskedasticity-consistent standard errors & covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.008671	0.002349	3.691399	0.0002
AMNT	-1.63E-06	1.64E-07	-9.969974	0.0000
ANNUAL_INC	-2.52E-07	1.14E-08	-22.16543	0.0000
DELINQ_2YRS	-0.005842	0.000524	-11.14216	0.0000
DTI	-0.000807	6.27E-05	-12.85660	0.0000
EMP_LENGTH_NUM	-0.000643	0.000123	-5.243760	0.0000
INSTALLMENT	6.41E-05	5.16E-06	12.40756	0.0000
INT_RATE	0.005699	0.000117	48.80143	0.0000
OWNER	-0.006519	0.000806	-8.087659	0.0000

R-squared	0.017082	Mean dependent var	0.049881
Adjusted R-squared	0.017046	S.D. dependent var	0.217700
S.E. of regression	0.215837	Akaike info criterion	-0.228550
Sum squared resid	10197.13	Schwarz criterion	-0.228126
Log likelihood	25023.75	Hannan-Quinn criter.	-0.228425
F-statistic	475.5195	Durbin-Watson stat	1.359948
Prob(F-statistic)	0.000000	Wald F-statistic	430.6158
Prob(Wald F-statistic)	0.000000		

Dependent Variable: BAD_LOANS
*Method: ML - Binary **Probit** (Newton-Raphson / Marquardt steps)*
Convergence achieved after 6 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-2.050883	0.024124	-85.01535	0.0000
AMNT	-1.43E-05	1.63E-06	-8.735997	0.0000
ANNUAL_INC	-3.41E-06	1.57E-07	-21.72125	0.0000
DELINQ_2YRS	-0.060709	0.006599	-9.199899	0.0000
DTI	-0.008391	0.000637	-13.17557	0.0000
EMP_LENGTH_NUM	-0.006238	0.001247	-5.000695	0.0000
INSTALLMENT	0.000601	5.14E-05	11.70220	0.0000
INT_RATE	0.055688	0.001099	50.68621	0.0000
OWNER	-0.062912	0.007767	-8.099555	0.0000

McFadden R-squared	0.044397	Mean dependent var	0.049881
S.D. dependent var	0.217700	S.E. of regression	0.215844
Akaike info criterion	0.378817	Sum squared resid	10197.87
Schwarz criterion	0.379240	Log likelihood	-41452.54
Hannan-Quinn criter.	0.378941	Deviance	82905.08
Restr. deviance	86756.80	Restr. log likelihood	-43378.40
LR statistic	3851.721	Avg. log likelihood	-0.189367
Prob(LR statistic)	0.000000		

Obs with Dep=0	207981	Total obs	218900
Obs with Dep=1	10919		

Dependent Variable: BAD_LOANS
*Method: ML - Binary **Logit** (Newton-Raphson / Marquardt steps)*
Convergence achieved after 7 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-3.786045	0.052063	-72.72064	0.0000
AMNT	-2.76E-05	3.52E-06	-7.841570	0.0000
ANNUAL_INC	-7.76E-06	3.64E-07	-21.33961	0.0000
DELINQ_2YRS	-0.127396	0.014820	-8.596452	0.0000
DTI	-0.017438	0.001349	-12.92276	0.0000
EMP_LENGTH_NUM	-0.013025	0.002649	-4.917627	0.0000
INSTALLMENT	0.001259	0.000109	11.51276	0.0000
INT_RATE	0.115068	0.002285	50.35736	0.0000
OWNER	-0.136993	0.016537	-8.283810	0.0000

McFadden R-squared	0.043685	Mean dependent var	0.049881
S.D. dependent var	0.217700	S.E. of regression	0.215893
Akaike info criterion	0.379099	Sum squared resid	10202.46
Schwarz criterion	0.379523	Log likelihood	-41483.42
Hannan-Quinn criter.	0.379223	Deviance	82966.83
Restr. deviance	86756.80	Restr. log likelihood	-43378.40
LR statistic	3789.963	Avg. log likelihood	-0.189509
Prob(LR statistic)	0.000000		

Obs with Dep=0	207981	Total obs	218900
Obs with Dep=1	10919		