

# Reducing Delinquencies with Default Prediction Analytics



## The Challenge

Collections teams need to proactively identify high-risk accounts. Current SMA/NPA tracking is reactive and flags risk only after delayed payments, limiting timely intervention and recovery optimization.

## The Solution

Predict default likelihood and surface early signals:

- Identify customers likely to default using transactional, demographic, and socio-economic indicators
- Produce top risk drivers via feature importance for targeted action
- Share high-risk lists and behavioral drivers with CAM teams for outreach

## The Results

- Early engagement with stressed accounts
- Reduced movement into higher SMA classes
- Data-driven, timely recovery strategies
- Improved overall portfolio health

## Impact Delivered

- Earlier risk detection
- Fewer rollovers to SMA
- Optimized recovery efforts

## Solution Components

- Risk-scoring model
- Early-warning indicators
- CAM team alerts
- Driver analysis