Credit Risk Assessment: The New Lending System for Borrowers, Lenders, and Investors
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DESCRIPTION

Credit Risk Assessment

The New Lending System for Borrowers, Lenders, and Investors

Credit Risk Assessment: The New Lending System for Borrowers, Lenders, and Investors equips you with an effective comprehensive credit assessment framework (CCAF) that can provide early warning of risk, thanks to its forward-looking analyses that do not rely on the premise that the past determines the future. Revealing how an existing credit underwriting system can be extended to embrace all relevant factors and business contexts in order to accurately classify credit risk and drive all transactions in a transparent manner, Credit Risk Assessment clearly lays out the facts.

This well-timed book explores how your company can improve its current credit assessment system to balance risk and return and prevent future financial disruptions. Describing how a new and comprehensive lending framework can achieve more complete and accurate credit risk assessment while improving loan transparency, affordability, and performance, Credit Risk Assessment addresses:

• How a CCAF connects borrowers, lenders, and investors with greater transparency

• The current financial crisis and its implications

• The root cause to weaknesses in loan underwriting practices and lending systems

• The main drivers that undermine borrowers, lenders, and investors
• Why a new generation of lending systems is needed

• Market requirements and how a comprehensive risk assessment framework can meet them

• The notion of an underwriting gap and how it affects the lenders' underwriting practices

• Typical issues associated with credit scoring models

• How improper use of credit scoring in underwriting underestimates the borrower's credit risk

• The ways in which the current lending system fails to address loan affordability

• How mortgage and capital market financial innovation relates to the crisis


ABOUT THE AUTHOR

CLARK ABRAHAMS is Chief Financial Architect at SAS, where he leads business and product development. He has over thirty years of experience in the financial services industry with corporations including Bank of America and Fair Isaac Corporation.

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