SAS® GLOBAL FORUM 2016

IMAGINE. CREATE. INNOVATE.

SAS® ANALYTICS LENS ON

DEBT COLLECTION
INTRODUCTION TO DEBT COLLECTION

In 2013, collection agencies recovered approximately $55.2 billion in total debt.

The collection of consumer debt also provides a valuable benefit to American households by returning an average savings of $479 per household and keeping the costs of goods and services lower.

DATA

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<th>ATTRIBUTE</th>
<th>TYPE</th>
<th>USABLE TRANSFORMATION</th>
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<tr>
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<td>Date</td>
<td>DAYS_SINCE_ACCOUNT_OPENED</td>
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<tr>
<td>CHARGEOFF_DATE</td>
<td>Date</td>
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THE PROCESS

Collection efforts through non-legal channels
Collection efforts through legal channels
File suit & secure a judgement
Close account
Establishing right party contact
Preliminary skip tracing
Detailed skip tracing

PREDICTIVE MODELS

Getting in to the analytics side of this, a desired analytics process is one that will equip the collections agency with insights into basic questions like “What are the chances this customer will pay?”, “When is the right time to collect from this customer?”, “How much should be collected from this customer?” etc. With this in mind, aim of predictive models here is to help us identify factors playing an important role in maximizing collections and how we can capitalize on them. A few of the industry standard models that are usually used in tandem today are shown >>

VISUALIZING PROBABILITY OF PAYMENT

Probability of Payment?
Amount?
First Payment Month?
Predicting Collections
High POP
Med POP
Low POP

In-house Attributes
Demographic Attributes
Credit Attributes
DAYS_SINCE_DELINQUENT =
INTCK
("DAYS", DATEPART(DELINQUENCY_DATE), DATEPART(CHARGEOF Date)) + 1;

SAS CODE: Dates to Days

SAS® ANALYTICS LENS ON
DEBT COLLECTION
Karush Jaggi, Thomas Waldschmidt, Dr. Goutam Chakraborty

/*NOTES*/

SAS CODE: KS Statistic & Plot

ODS GRAPHICS ON;
PROC NPAR1WAY EDF DATA=LIB.DATASET;
CLASS PAYER_FLAG;
VAR ADDRCHANGECOUNT01 CTR3P2E;
OUTPUT OUT = LIB.OUTPUT (KEEP = _VAR_ _KS_ _D_);
RUN;

SAS® Enterprise Miner™ Workflow Sample

APPLICATION