

SEMINAR SERIES  
Department of Quantitative Analysis and Operations Management  
College of Business Administration  
University of Cincinnati

**“Credit Scoring Methodology in Banking”**

Daniel Mihalko

Chair of the Department of Statistics  
College of Arts and Sciences  
Western Michigan University

**Tuesday, June 4, 2002  
12:30 p.m.  
223 Lindner Hall**

This talk will be of general interest and understandable to students of all majors and practitioners as well. Concepts of scoring are emphasized with mathematical detail kept to a minimum. Scoring techniques along with the joys and pitfalls of large data sets will be discussed. Included will be a comparison of the appropriateness of Logistic Regression, Neural Networks and Linear Regression as scoring procedures. The talk will also look at methods used to determine the value added by using a scoring model. Examples of how scoring models are used in the banking business are given.

Professor Daniel Mihalko has been applied statistical methodology in the life sciences, social sciences and the banking business. For twenty years Professor Mihalko developed statistical methods to be used in the Air Force's study on the effects of exposure to herbicide. More recently he has worked in applying statistical modeling to the credit card business for National City Bank. He has published papers not only in Statistical journals but in medical journals and computation journals. He has also served as Associate Editor for The Journal of the American Statistical Association. He is currently professor and chair of the Department of Statistics at Western Michigan University.