Abstract

A system and method for assisting lenders in making decisions related to non-recourse loans employs a model which considers each risk relevant to the loan determination, including commercial and country risk factors. From this analysis, the present invention can determine the estimated default frequency (EDF), the loss given default (LGD), volatility of the loss, and can recommend total provision and economic capital outlays for the lender for the given non-recourse loan. From this information, the present invention can also be used to determine a credit rating and profitability measures for the given loan.

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