This study intends to model the Probability of Default (PD) of an American credit database. The logit model was used in order to determine the PD threshold that presents higher profits. The database contemplated 338.909 terminated loans lent to private individuals, consumer oriented, and 139 variables. From the rough data we reduced the number of variables to the most significant, according to the statistical tests computed in SPSS.

By the principle of parsimony two models were considered and the chosen model was the one that presented higher profits for the Financial Institution.