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(54) Title: METHOD AND APPARATUS FOR DETERMINING A PREPAYMENT SCORE FOR AN INDIVIDUAL APPLICANT

(57) Abstract: A method and apparatus is disclosed for determining the prepayment propensity of individual borrowers. Early payment of debt instruments, such as loans and leases, can lead to losses being suffered by lenders. The present invention analyzes the demographics associated with a particular borrower to determine both the individual and group based prepayment propensity. The history of the borrower, the history of the borrower's demographic group, interest rate trends and other factors are then used to calculate a prepayment score that can be used by the lender to determine the propensity of a given borrower to prepay the instrument in question. The score of the individual borrower can be used to estimate the profitability of a debt instrument and allow the lender to make appropriate adjustments prior to issuing the instrument. The individual prepayment scores of a lender's or broker's clients can also be used to rate the lender or broker.

INTERNATIONAL SEARCH REPORT

International application No.

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A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) : G06F 17/60
 US CL : 705/38

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)
 U.S. : 705/35, 38, 39, 42, 43; 395/238, 239

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category *	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A	US 5,699,527 A (DAVIDSON) 16 December 1997, col. 2, line 55-col. 3, line 25.	1 - 20
A	US 5,870,721 A (NORRIS) 09 February 1999, abstract and col. 4, line 7-col. 7, line 4.	1 - 20
A	US 5,940,812 A (TENDEL et al) 17 August 1999, col.2, line 25-col. 3, line 47.	1 - 20

Further documents are listed in the continuation of Box C.

See patent family annex.

* Special categories of cited documents:	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A" document defining the general state of the art which is not considered to be of particular relevance	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"E" earlier application or patent published on or after the international filing date	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
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"O" document referring to an oral disclosure, use, exhibition or other means		
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