Report on **Master Thesis**

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	**Bc. Karolína Vachušková**
Advisor:	**doc. PhDr. Adam Geršl, Ph.D.**
Title of the thesis:	**Mortgage Lending and Credit Risk: Micro-Level Data Analysis**

OVERALL ASSESSMENT

Short summary
This is a nice and well-written Master's Thesis with a strong value added using unique data and focusing on topics which have not yet been researched sufficently.

Contribution
This thesis analyzes the link between the so-called lending criteria for mortgages (LTV, DSTI, DTI) and loans' credit risk (defaults and repayment deliquencies). It is using a loan-level dataset from one of the commercial banks in the Czech Republic and provides new evidence on the this phenomena. There is not much literature on the topic (given that such a data is not easily available) worldwide, the author found similar papers only on France, the Netherlands, and India.

Methods
The thesis uses the traditional binary dependent variable method (logit) appropriate for this type of research, but extends this in the robustness checks and validations section by additional models and alternative specifications. The work with data is excellent, all is well documented and described.

Literature
The review of literature is well done. There is not much on this topic directly, but the review also incldues papers on the role of LTV, DSTI and DTI in macroprudential policy, which was one of the main motivations for this thesis.

Manuscript form
The thesis is written very well – all is explained, the language is clear and concise. The findings are understandable and intuitive.

Overall evaluation and suggested questions for the discussion during the defense
The results of the Turnitin analysis do not indicate significant text similarity with other available sources. In my view, the thesis fulfills the requirements for a Master's Thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A. I would also like to recommend that this thesis is nominated for one of the student prizes.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	27
Methods (max. 30 points)	29
Literature (max. 20 points)	19
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	**95**
GRADE (A – B – C – D – E – F)	**A**

NAME OF THE REFEREE: Doc. Adam Geršl

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DATE OF EVALUATION: June 10, 2024

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F