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Default Probabilities of Privately Held Firms

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#### ACCEPTED MANUSCRIPT

### Highlights

- We estimate term structures of default probabilities for private firms.
- Each firm's default likelihood is characterized by a forward intensity model.
- We devise a methodology to obtain a public-firm equivalent distance-to-default.
- The fitted model provides both economically and statistically significant benefits.
- The charged interest rates are reflective of the estimated default probabilities.



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