FICO® Score 9

With FICO® Score 9 lenders can:

Be Current
Grow portfolios with more accurate credit risk decisions by using the FICO® Score that best captures today's consumer credit behavior.

Be Compliant
More easily and confidently comply with all relevant US regulations using the most current, fully documented FICO® Score ever.

Be Adaptive
Ease migration to the more current FICO® Score 9 through its compatibility with previous FICO Scores.

In a major redevelopment of the FICO® Score using sophisticated modelling techniques to mine trends in recent consumer data, FICO Score 9 gives lenders the most predictive FICO Score to date, and minimizes operational hurdles associated with adoption and compliance. Among many modifications to its predictive characteristics, FICO Score 9 improves lenders' assessment of collection information as well as consumers with limited credit histories.

The Release of a Milestone FICO® Score

On the 25th anniversary of the first FICO® Score, FICO continues to provide a safe and sound measure of credit risk with its introduction of FICO Score 9 — the most predictive FICO Score to date. FICO Score 9 will serve as the basis for the FICO® Score Suite, the family of scores built on broad-based consumer reporting agency data which includes FICO® Industry Scores, as well as new scores in research.

Applying a sophisticated modelling approach, its scientists' latest research on more recent consumer behavior and critical market feedback, FICO created FICO® Score 9 with a focus on addressing lenders' diverse and demanding scoring needs today. FICO Score 9 is more predictive of a consumer's likelihood to repay a debt than previous FICO Scores. It gives lenders the strongest possible risk assessment for today's consumer credit behavior, improved operational efficiencies and support for meeting regulatory compliance.

Be Current
Driving Greater Predictive Power

In the development of FICO® Score 9, FICO explored, uncovered and applied several ways to refine the scoring model. The result is a much more powerful FICO Score for better risk assessments across all credit products and credit lifecycle from origination to customer management to capital allocations.

It starts with the data. The timing of FICO® Score 9 was aligned to keep pace with major, post-great recession changes in the financial services industry and marketplace — changes in lender reporting, financial products, consumer behavior and economic conditions.

FICO® Score 9 was also developed with an innovative, multi-faceted modeling approach — one supported by strong model risk management — combining sophisticated proprietary analytic technology with insights gained over FICO's 25 years of building these broad-based credit risk models. The modeling approach incorporates a more exhaustive characteristic selection process to build a score that is even more effective across a wide variety of situations. This approach is based on the Multiple Goal Scorecard technology of FICO® Model Builder, which balances out different scoring objectives applied across various product lines.

Be Compliant
Supporting Regulatory Compliance

As with every FICO® Score development, FICO stands behind FICO Score 9 as a score that can help lenders comply

The most current and predictive FICO® Score

Bad Rate Comparison – All Industries, All Accounts
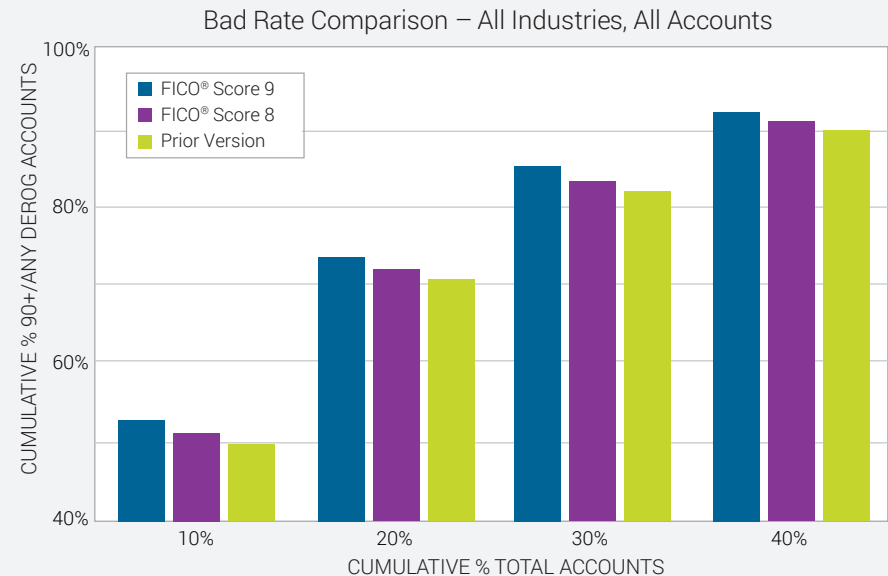
with today's regulatory requirements. FICO Score 9 adheres to the regulations from the Office of the Comptroller of the Currency (OCC) and the Federal Reserve — including but not limited to the OCC 2011–12 and the Federal Reserve's (SR 11–7) Model Management Guidelines for development and validation of the models.

FICO® Score 9 helps lenders more confidently and cost-effectively meet regulatory requirements, and mitigate risk. This includes:

- The provision of FICO documentation, on the development, validation and implementation to help guide lenders in the use and limitations of the model.

- Continuation of programs for lenders to extend free educational and support services to consumers, including FICO® Score Open Access.

A Novel FICO® Score

FICO scientists look for new ways to drive improvements in every FICO® Score redevelopment. Look how much is new in FICO Score 9:

- **A new modeling approach** using a multiple goal optimization technology.

- **A more exhaustive characteristic selection process** to build a score that is even more predictive across a wide variety of situations and product lines.

- **A more sophisticated way to assess consumer collection data** to better match the true credit risk.

Some of What's New in FICO® Score 9

- **The addition of a scorecard for consumers with a high amount of revolving debt.** These consumers are at a greater risk of filing for bankruptcy and by breaking this group out separately, FICO® Score 9 can do an even better job in predicting bankruptcies as well as other forms of delinquency.

- **Further refined thin file treatments.** FICO® Score 9 addresses lenders' desire for more effective risk assessment for consumers with limited credit history, or so-called thin files. Validation results demonstrate improved risk prediction for this segment of the population.

- **An enhanced collections treatment that excludes paid collections debt entirely.** FICO research proved that risk prediction could be improved by ignoring all paid third-party collections debt regardless of the amount.

- **Research results confirm that differentiating of medical from non-medical collection agency accounts** allows for an even more effective assessment of the true credit risk they represent.

- **Adjustments to non-traditional trade line evaluations.** Previous FICO® Scores have included items such as telecom and utilities. Now, FICO Score 9 factors in rental trade lines, when reported, in order to leverage a more comprehensive view of a consumer's credit history.

FICO®SCORE | 25 YEARS

Services provide the expert analytics resources and proven methodology to overcome barriers to adoption and tune existing strategies to maximize the benefit of the new FICO® Score 9. There are two options available to the lender — choose to conduct the validation and evaluation yourself or partner with FICO® Score Adoption Services to:

- **More quickly assess** the predictive power of the scores.

- **Be confident** in the financial lift the scores will bring to the business.

- **Derive immediate value** without burdening internal resources.

Learn More

To find out more about FICO® Score 9, contact your FICO representative or visit us at www.fico.com/scores

Be Adaptive
Smoothing Conversion to FICO® Score 9

As it has done for all FICO® Scores over past decades, FICO is providing backward compatibility with FICO Score 9 to simplify the process of adopting the new score and taking advantage of its added power. FICO Score 9 is aligned to the same odds-to-score relationship and has the same minimum score criteria, reason codes, score ranges as

prior versions of the FICO Score. FICO Score 9 was also built using the same performance time-frames across all 3 consumer reporting agencies, facilitating a design objective to be even more consistent. FICO Score 9, similar to prior developments of the FICO Score, maintains alignment with earlier versions to aid in adoption.

Lenders can assess and accurately estimate the value of the new score to the business with the guidance of FICO. FICO® Score Diagnostic and Adoption

FICO