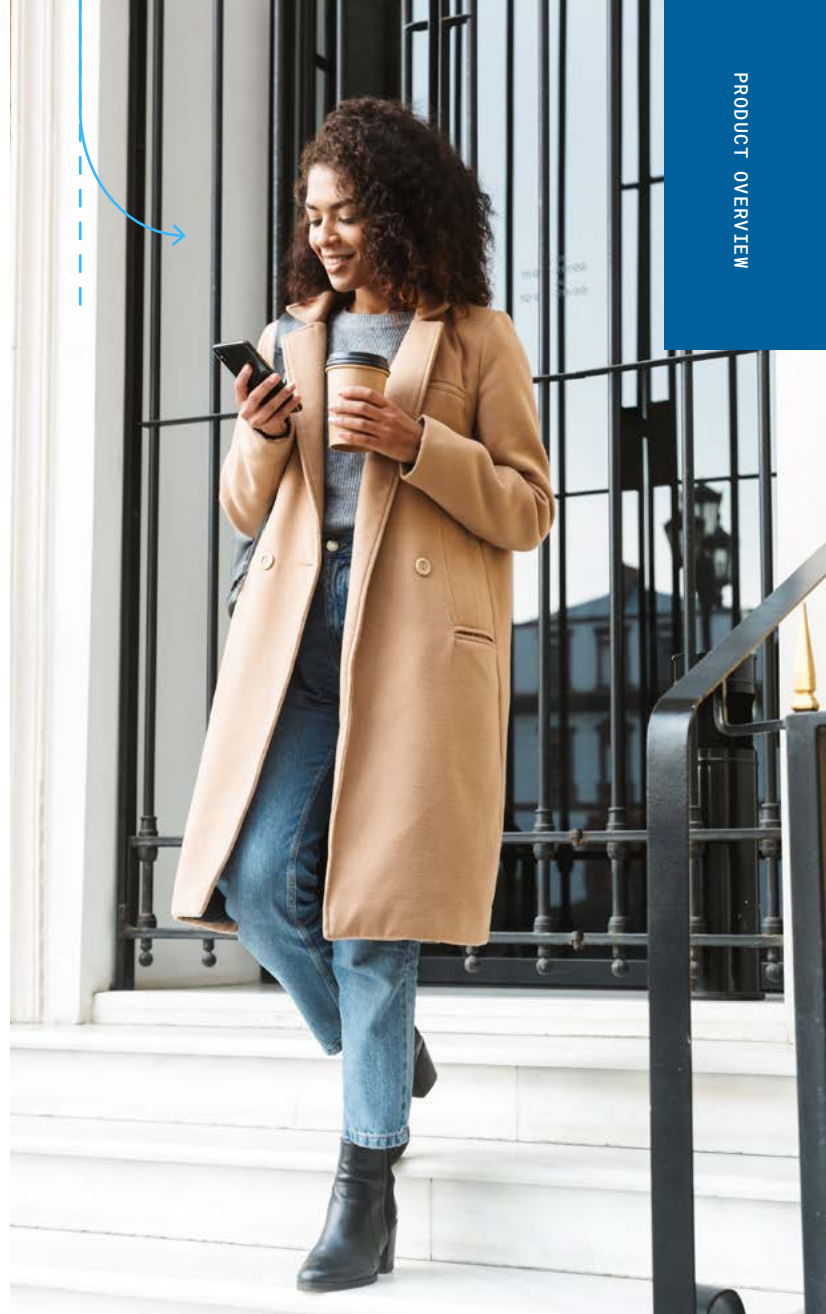


FICO® Score XD

Giving lenders the ability to identify creditworthy, previously unscorable borrowers

Lenders have a new opportunity to extend credit to millions of U.S. consumers who otherwise cannot be scored appropriately, either due to insufficient or stale data in traditional credit bureau files. FICO® Score XD – developed in partnership with LexisNexis® Risk Solutions and Equifax® – is a score that leverages alternative data sources to give issuers a second opportunity to assess otherwise unscorable consumers. FICO Score XD is designed with precision and compliance in mind to enable issuers to safely extend credit to a largely untapped market using an accessible and familiar FICO® Score.



Start Extending Your Scorable Universe by Millions of Consumers

With the FICO® Score XD, lenders can:

Realize rapid portfolio growth: Research shows that roughly one third of scored individuals will score 620 or higher.

Streamline score integration into operations and strategies with existing Equifax connectivity, and the same 300–850 scale as the FICO® Score.

Help consumers establish and re-establish credit, and realize long-term loyalty from customers entering mainstream credit.

FICO SCORE

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Generating a Score with Multiple Alternative Data Sources

In the US, an estimated 28 million consumers — including coming-of-age populations, recent immigrants, and those re-establishing credit — do not have enough data on file at the nation's traditional credit bureaus to generate a FICO® Score. An additional 25 million have no credit file on record. Without a score, many lenders have been hampered in accurately and cost-effectively evaluating these individuals, even as research shows that many are creditworthy.

One possible solution would be to generate scores on any credit file, including those with only sparse or stale information. FICO research indicates this yields poor analytic outcomes. Lax minimum scoring criteria for traditional credit data may compromise a score's predictive power, hurting lenders through higher losses and consumers through misaligned products, rates, and terms.

Instead, in its development of FICO® Score XD, FICO researched and found alternative data sources that provide reliable insights into these consumers' financial health. Using positive and negative data from The National Consumer Telecom and Utilities Exchange®, Inc. (NCTUE®), and public record information from LexisNexis® Risk Solutions, FICO Score XD gives lenders the ability to reliably assess risk on more than 70% of the credit applicants who do not receive a traditional FICO® Score.

Designed for Precision, Regulatory Compliance, and Easy Integration

As with any FICO model development, FICO® Score XD was designed to address all key considerations and necessities of lenders, including predictive precision, compliance requirements, and operational efficiency.

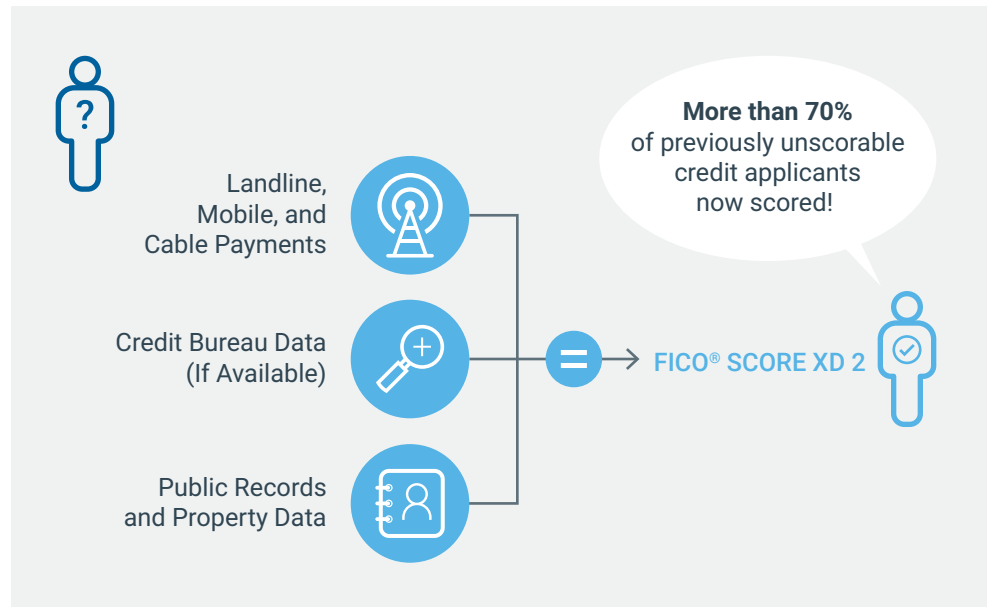
Precise Risk Assessment:

FICO® Score XD leverages the same modeling technology as the traditional FICO® Score, and replicates advancements made in the characteristic design of FICO® Score 9 for accurate alignment with today's consumer marketplace.

The score is based on comprehensive data sets from both NCTUE (managed by Equifax) and LexisNexis Risk Solutions. The NCTUE data includes new connect requests, payment history and current historical account status. Call record data is not included. The LexisNexis Risk Solutions data includes property ownership records and frequency of residential moves and evictions.

Regulatory Compliance Support: FICO applied its vast experience in regulatory compliance in the development of FICO® Score XD. Like all FICO models, FICO Score XD provides up to five reason codes; in addition, FICO's alternative data partners have FCRA-compliant infrastructure and processes in place.

Scoring More Consumers



FICO is using FCRA-compliant alternative data sources to give reliable FICO® Scores to people who can't be scored using credit bureau data alone.



Streamlined Integration: Lenders have easy access to the score at Equifax and can begin using it like any other FICO® Score, without maintenance headaches or merging hassles. All alternative data is aggregated at Equifax, enabling issuers to immediately pull the score as an automatic extension to their traditional FICO Score process. Lenders can pull FICO® Score XD either online or for batch/prescreening decisions, leveraging their existing connectivity to Equifax.

Benefitting Lenders and Consumers

FICO® Score XD generates a score on more than 70% of previously unscorable credit applicants, many of whom may have been denied. FICO research shows

To learn more about how FICO® Score XD can help your institution, visit:
www.fico.com/en/products/fico-score-xd

that roughly one third of those individuals would receive a FICO Score XD of 620 or higher, giving lenders the ability to positively impact their P&L. Research shows that roughly one third of consumers who scored with a FICO® Score XD 2 of 620 or greater at the time had a

FICO® Score 9 of 620 or greater two years later. And those customers are more likely to remain loyal over time, having been helped out of a catch-22 of trying to build credit with insufficient credit data, and subsequent denials.