Equifax Programming Specification Changes Guide

Fall 2017 Release Guide

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Please reference the "Revision History" section of the System-to-System manuals for detailed information on specific changes.

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New and Enhanced Products and Services

The items in this section are new "***optional***" products and services or existing products and services that have been or will be enhanced (new version) in the near future.

These "optional" products and services do not require customers to make coding changes unless you choose to use the new product or service.

Visit www.equifax.com/tcs/ for current programming specification guides

1. Commercial Financial Network (CFN) via TotalView

Currently Available

TotalView XML Output Only

The Commercial Financial Network (CFN), which helps organizations expand access to capital and services to American small businesses, is now available on TotalView, the ACRO system-to-system delivery format for Equifax data and products – available together with credit or standalone.

You need more than data to make smart decisions around providing small business with access to capital. Equifax has built its CFN with that in mind. We provide organizations with a 360-degree view of risk, through traditional and non-traditional types of data, to help evaluate credit and ultimately generate revenue.

Confidently move your business forward by quickly drawing relevant insights from multi-sourced data that is automatically keyed and linked together. By tapping into robust data, you can better target prospect customers, improve profitability and grow your business.

Through the CFN, you have access to traditional payment performance data from an ever-expanding network of more than 1,200 data contributors, including more than 225 bank portfolios and more than 155 million payment accounts. Also, included in the CFN is access to dynamic information such as trended credit data, employment and income data, information regarding business ownership, wealth and assets and much more. Having this level of increased visibility across your small business prospects and customers provides insights to help drive future-forward decision making.

Commercial data, including CFN, is returned in XML output format in the Alternate Data portion of the TotalView report as Segment 58.12.

Please contact your Equifax Sales representative for activation or questions regarding CFN and TotalView.

Visit www.equifax.com/tcs/ to download the Equifax TotalView Programming Guide.

2. Military Lending Act Covered Borrower Status Enhancements

Currently Available

TotalView and STS 6.0 Versions only

Over the past year, we have met frequently with clients like you to better understand your processing needs, including potential Military Lending Act (MLA) compliance challenges or concerns. As a result, we've made key enhancements to continue our best-in-class MLA service.

The first of these enhancements—helps our system-to-system customers certify the MLA covered borrower status for more applicants by integrating advanced logic within the existing Equifax MLA Covered Borrower Status Check.

- You are no longer required to send the minimum fields of Date of Birth (DOB) and/or Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) on every MLA transaction request.
- Instead, if an applicant's full information is not provided, such as a full DOB and/or SSN/ITIN, our advanced search logic will automatically tap into our vast consumer files in order to complete the required missing fields, search the MLA database and return the MLA covered borrower status.
- Note: Providing as much information as possible is always encouraged, as complete information in addition to required fields may possibly increase hit rates or improve search results. An "I" may be returned if there is insufficient data provided for a match, meaning not enough data was acquired to search the MLA database.

Military Lending Act Covered Borrower Status Plus

Due to privacy commitments, the Defense Manpower Data Center (DMDC) requires a separate and direct connection to the DMDC database in order to receive data on the under 18 covered dependent population. Equifax has developed Mililtary Lending Act Covered Borrower Status Plus to offer a full-service MLA solution that reports the MLA status on all-aged consumers. This solution searches the DMDC in real time to retrieve and return the MLA status of an under 18 dependent, in addition to utilizing our in-house MLA database for all other applicants. This online-only solution is for lenders that offer MLA-covered products to consumers under the age of 18, and is now available in production.

For questions on how these enhancements can help you more easily comply with the updated MLA covered borrower status requirement, contact your account manager or email us at MLASupport@Equifax.com.

Visit www.equifax.com/tcs/ to download the Equifax Military Lending Act covered borrower status guides.

3. VantageScore 4.0

Available in: Production Target: November 2017 / CTEST: November 16, 2017

All Versions

VantageScore 4.0 is an empirically-driven and statistically-sound risk prediction model that enables lenders to rank consumers by their potential risk for default, 90 or more days past due. The impetus for the updated model came from opportunities to enhance predictive performance through the credit bureau trended data solutions, utilizing machine learning techniques for attribute design to model the universe expansion population and to align with the reduction in public record information available in consumer credit files.

The model was developed from a national sample of approximately 45 million consumer credit reports – 15 million consumers pulled from each of the three Credit Reporting Companies (CRCs) simultaneously, Equifax, Trans Union® and Experian®. The credit information uses more granular data over prior VantageScore models, including public record information, collection and tradeline data, plus inquiries, to achieve more accuracy.

Customers who choose to implement VantageScore 4.0 will need to code for:

- Model Number(s): **05402 – Adverse Action Codes** English Version; **05403 – Adverse Action Codes** Spanish Version (for Print Image and ACROFILE PLUS outputs).
- Score Range: 300-850 (lower score indicates higher risk of delinquency/loss)
- VantageScore 4.0 Reason Codes
- VantageScore 4.0 Reject Codes
- VantageScore results are returned in the Model segment '/35/MM/05'
- 5th Reason Code Y (Yes) indicates "Number of inquiries adversely affected the score – impact was not significant" and inquiries were not already included in one of the top 4 reasons.

The VantageScore 4.0 score is odds-aligned with VantageScore 3.0 to facilitate transition and implementation. The 300 – 850 score range makes implementation of the VantageScore 4.0 model easier for lenders. As with all VantageScore models, the same VantageScore 4.0 model is deployed across all three national CRCs, reducing score variance and producing nearly identical risk alignment, leading to added confidence in lending decisions.

Visit www.equifax.com/tcs/ to download the VantageScore 4.0 Programming Guide or System-to-System Models Programming Guide.

4. Equifax Annual Holiday Change Moratorium Dates for 2017/2018

The annual Equifax Holiday Change Moratorium for 2017/2018 will begin on Wednesday, November 22, 2017 and will continue through and include Tuesday, January 2, 2018. Equifax Technology implements its annual production "system freeze" during the holiday season to minimize risk and maintain high system availability, which is especially important to retail customers during this period of time. Please contact your Equifax Sales Associate if you have any questions.

Product and Service Reminders

The items in this section are "Reminders" of previously announced products and services that have or will be available in the near future.

These "optional" products and services do not require customers to make coding changes unless you choose to use them.

1. Equifax TotalView – Reminder

Currently Available

TotalView is the go-forward system-to-system delivery for multiple data sources, including trended credit data and employment and income information. This flexible, feature-rich format enables easy access to additional data products via a single request and response, helping to reduce technical complexity, increase operational efficiency and decrease development costs. TotalView can help build a more complete picture of your customer. Here's a look at what TotalView can help you access from a single connection:

- Enhanced Credit Information
- Property Data and Analytics
- Enhanced Fraud Detection
- Income and Employment Verification
- Automated Decisioning
- Wealth Information
- ID Reveal™
- FirstSearch™
- Trended Credit Data – Configurable up to 24 months
- Equifax Military Lending Act Service to provide Military Lending Act Covered Borrower Status
- Income and Employment Verification and History (A total of 4 products)
- North American Link – (Full-File Fixed output only)
- ComplianceConnect™ (OFAC Alert™, Global Sanctions, Politically Exposed Persons (PEP) and Negative News)
- Commercial CFN

TotalView is available in Full-File Fixed; Print Image; Full-File Fixed/Print Image Combo and XML output formats.

Please contact your Equifax Sales representative for activation or questions about TotalView. Equifax is no longer boarding net new customers to STS 5.0 or STS 6.0; rather, all net new online STS customers will be boarded to TotalView.

Visit www.equifax.com/tcs/ to download the Equifax TotalView Programming Guide.

2. Equifax Military Lending Act Covered Borrower Status – Reminder

Available in TotalView

Available in STS 6.0 (Full-File Fixed; Full-File Fixed/Print Image Combo & XML Outputs Only)

Since October 3, 2016, creditors are required to verify covered borrower status prior to originating or closing certain credit products (and retain the verification for five years). **Beginning October 3, 2017, credit cards will also fall under MLA regulation.**

The Equifax Military Lending Act (MLA) Covered Borrower Status is designed to help support customer implementation of the MLA Final Rule requirements that expand the 2006 MLA regulation. The new ruling addresses a wider range of consumer credit products and provides a compliance safe harbor for lenders who verify the MLA Covered Borrower Status through a nationwide consumer reporting agency (CRA) or directly through the Department of Defense Manpower Data Center (DMDC) database.

For customers programmed to receive the Equifax MLA Status, the 'Y' or 'N' MLA Covered Borrower status is provided as an add-on/new segment along with the current consumer credit report inquiries or available to be requested standalone without a credit report. There are three options for setup, return MLA always with the consumer report, return MLA always stand alone (no consumer report), or return MLA when requested using optional feature code.

MLA customers requesting a TotalView joint file will need to send the Co-Borrower's Date of Birth in the Product Information (PI) segment (158-Bytes) in the request, to be used in the MLA status search for the co-borrower (see TotalView programming guide for layout).

Customers requesting MLA Stand Alone reports, the Name, Social Security Number and Date of Birth from the inquiry are returned in the Full-File Fixed output Header segment. For TotalView Print Image (T1) and the print image portion of the (T4) combo report they are returned in the 'INQUIRY INFORMATION' section. For STS 6.0 in the print image portion of the (62) combo report in the 'IDENTIFICATION INFORMATION' section.

For more information regarding Equifax MLA Covered Borrower Status, please email MLASupport@Equifax.com.

Visit www.equifax.com/tcs/ to download the Equifax Military Lending Act – Covered Borrower Specifications.

3. ComplianceConnect™ (OFAC Alert™, Global Sanctions, Negative News & PEP) – Reminder

Currently Available

TotalView Only

ComplianceConnect™ is a Know Your Customer (KYC) / Customer Due Diligence (CDD) product assisting clients' Anti-Money Laundering (AML) and KYC programs. It provides tools for regulatory compliance and risk management to help USA PATRIOT ACT and other sanctions compliance, combat financial fraud, money laundering, terrorist financing and other suspicious financial activities. ComplianceConnect leverages robust global sanctions negative news and Politically Exposed Persons (PEPs) data, innovative and customizable Search and Match functionality, enhanced analytics, and flexible technology for real-time insights. Offerings available:

- **OFAC Alert** screening to locate individuals and entities that may be on the US Treasury Department OFAC Specially Designated Nationals (SDN) and Consolidated non-SDN lists.
- **Global Sanctions** screening provides sanctions screening not just against the OFAC lists but also against certain other national and international sanctions lists such as the European Union Consolidated Sanctions List, the United Kingdom (UK) HMTreasury Sanctions list, etc.
- **Negative News** screening allows clients to check if any of the over 32,000 monitored newspapers and other publications from around the world have possible adverse or derogatory articles about an existing or prospect customer about to be onboarded.
- **Politically Exposed Persons** screening allows clients to check against over 1 million names of current and former political figures, their family and close associates. This list is classified into 24 PEPS classes and gives clients the flexibility to tailor their alerts to only those that are relevant in their KYC risk regimes.

Please contact your Equifax Sales representative for activation or questions about ComplianceConnect and TotalView.

Visit www.equifax.com/tcs/ to download the Equifax Bankruptcy Navigator Index 4.0 Programming Guide

4. Bankruptcy Navigator Index (BNI) 4.0 Recalibrated – Reminder

As communicated previously, in 2015, Equifax, Experian and TransUnion announced the National Consumer Assistance (NCAP), a series of industry-wide initiatives designed to strengthen the quality of credit reports and help make the process of dealing with credit information easier and more transparent for consumers, while ensuring the data within the consumer credit files isaccurate and timely.

One key component of NCAP is the development of Public Record (PR) data (tax-liens and civil judgments) standard service levels for the collection and timely updating of public records supplied by a shared public record vendor.

Equifax has been proactively assessing the potential impact of NCAP-PR changes on our models. As such, Equifax Bankruptcy Navigator Index (BNI) was put through a robust risk impact analysis process and tested for score shift and performance when subjected to the loss of PR data. BNI was impacted when compared to fully suppressed tax liens and judgment data.

As a result, Equifax has developed a re-calibrated BNI model that is able to match the performance of the Pre-NCAP BNI model without relying on tax liens and judgment data.

The four new BNI recalibrated model numbers were made available first quarter 2017 and are as follows:

- BNI recalib w/Bankruptcy (alphanumber Reason Codes) – 05373
- BNI recalib w/o Bankruptcy (alphanumber Reason Codes) – 05374
- BNI recalib w/Bankruptcy (numeric Reason Codes) – 05375
- BNI recalib w/o Bankruptcy (numeric Reason Codes) – 05376

Existing BNI customers have **two choices** on how they wish to continue using BNI:

1. Continue using the current BNI model you are using today
   - Your current BNI model will have PR data (civil judgment and tax lien) suppressed in the model calculation.
2. Migrate to a new re-calibrated BNI model, created without PR data (civil judgment and tax lien)
   - **Migration to new model required** • Minimum programming changes required — update model # in request

Please contact your Equifax Sales representative for activation or questions regarding the BNI 4.0 models.

5. Bankruptcy Navigator Index (BNI), 3.0, 2.0 & '99 Versions Hard-Sunset – Reminder

Effective: September 30, 2017

BNI Model Numbers: 01993, 01999, 02456, 02468, 02520, 02521, 02781, 02782, 02783, 02784, 02502, 02503 and 05071.

Bankruptcy Navigator Index score, BNI 4.0, replaced all earlier versions of BNI and as such, it is necessary to remove the early version model numbers from our system. After September 30, 2017 these models are sunset, customers who send a retired BNI model number in their inquiry will receive an 'MERR' (Model Error Message): '**M20400 – Model Number is not Authorized for Model Delivery**' in lieu of the consumer report and requested model(s) score results.

Whether you chose to upgrade to BNI 4.0 or not, you should remove the retired BNI model number (01993, 01999, 02456, 02468, 02520, 02521, 02781, 02782, 02783, 02784, 02502, 02503 or 05071) from your inquiries to help avoid receiving the error message in your transaction results.

All new customers will be boarded on the Bankruptcy Navigator Index 4.0 Recalibrated models. If you would like to receive the new BNI 4.0 score, contact your Equifax representative to initiate the process and be sure to plan for any necessary resources needed. For more information on BNI 4.0, click here.

Visit www.equifax.com/tcs/ to download the System-to-System Bankruptcy Navigator Index (BNI) 4.0 Manual

Required Programming

Please note that the items in this section require customers to make time-sensitive software or table changes to your system. Some of the items may only apply to you if your member number is authorized to receive them.

Consult the STS manuals "Revision History" for a detailed list of specification changes and additional information.

Visit www.equifax.com/tcs/ for updated System-to-System TotalView, 6.0 or 5.0 programming specifications.

1. Legal Item (Judgments) Segment Retired

Effective: July 2017

All Versions

As previously communicated in June 2016, during the week of July 10, 2017, Equifax removed Judgment Public Records from the consumer credit database. Reports that contained these segments were purged from the Equifax Consumer database. No new segments of this type will be entered into the Equifax consumer database or returned on consumer reports officially retiring Legal Item segment.

2. Description Changes for Tax Lien and Collection Segment Fields – Reminder

Currently Effective

All Versions

The field labels will be changed in the Tax Lien and Collection Segments to further define the current contents of those fields:

- Collection Segment – the description for "Client ID" is being changed to "Original Creditor Name". The Original Creditor Name is the name of the original credit grantor. All Print Image outputs will be changed from 'CLIENT' to 'CREDITOR'.
- Tax Lien Segment – the description for "Date Verified" is being changed to 'Date Reported'. Date Reported represents the date of the last update to the item. All Print Image outputs will be changed from 'VER' to 'RPT' except for TotalView 'T4 – FFF/Print Image Combo Report which will be changed from 'VERF' to 'REPT'.

Please reference the Revision History in the System-to-System manuals for specific output details on these field changes.

Visit www.equifax.com/tcs/ to download the updated System-to-System Manuals

3. New Narrative Code – Reminder

Currently Available

All Versions

The following new Narrative Code will be added to the Equifax system:

ALPHA CODE	NUMERIC CODE	NARRATIVE
LB	305	HOMEOWNERS ASSOCIATION (HOA)

Homeowners Association (HOA) data is being added to the Equifax consumer credit database. Equifax is committed to providing consumers with additional means for building their credit histories. Using alternative data beyond what is found in traditional credit information can provide additional insight into a consumer's financial behavior and help deliver expanded credit access.

HOA data will include most of the elements that are included in other tradelines that are reported on a credit file. Payment information on these records will include both regular and special assessments approved by the HOA's board of directors. Fees paid for services like pest control or lawn care will not be included on the credit file. The data will be reported by property management companies from across the country. Equifax will also accept data directly from HOAs.

Visit www.equifax.com/tcs/ to download the updated System-to-System Manuals

4. FACT Act Risk-Based Pricing Rules – Score Distribution Update 2017 – Reminder

Available: October 2017

As a reminder, customers can access Equifax Risk Based Pricing score information in two ways:

1. A WinZip packet of materials for each model, available via Equifax ePORT web portal for secure self-servicing. The Zip file will contain a score distribution bar graph in .jpg and .pdf formats that helps meet the requirements specified in the final rules, and an Excel file containing both the score distribution table that feeds the bar graph, and a 1% interval score distribution table. Customers wanting to access and download the .jpg bar graphs should visit www.eport.equifax.com.

2. A return, through ACRO system-to-system output, of the model number, possible score range and consumer's percent rank for the specific score(s) requested.

Equifax will make available updated score distributions for 2017 and will continue to do so on an annual basis.