



**EQUIFAX**<sup>®</sup>

## Equifax Risk Capacity Index

Help reduce risk and expand lending capacity with this cutting-edge tool

After recent years of financial volatility and uncertainty, financial institutions are working hard to lower portfolio risk and reduce future revenue loss.

But at a time when responsible lending, efficiency, and mismeasurement of risk are also growing concerns, you need innovative solutions to better assess consumer financial capacity without impacting their payment behaviours on other credit commitments.

### **A first-of-its-kind innovation in North America**

Managing risk starts with getting a deeper understanding of your customers — and Equifax Risk Capacity Index helps you do just that.

It's a logic-based tool that provides an estimate of a consumer's additional credit capacity, without impacting their current credit commitments. Leveraging 12 months of trended payment history from credit cards, installment loans, revolving lines, and mortgages, Equifax Risk Capacity Index helps you determine a consumer's ability to manage additional debt.

#### **It may also help you:**

- Make more informed decisions
- Expand lending capacity
- Mitigate portfolio risk
- Support responsible lending practices

### **Key benefits**

**Manage portfolio risk** with insights into a consumer's ability to pay and take on more credit

**Broaden your view** of consumers by leveraging trended data on spending and payment behaviours

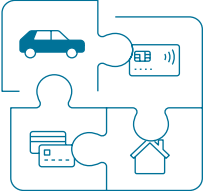
**Support responsible lending practices** by helping consumers stay in good credit standing

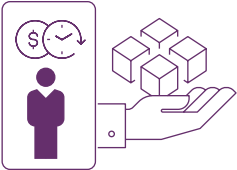
**Develop effective marketing strategies** when you rank and prioritize prospects by financial capacity

## What can Equifax Risk Capacity Index do for you?

When lenders incorporate Equifax Risk Capacity Index into their credit decisioning process, they can leverage advanced data to drive growth in several key areas:

- 1 Credit line evaluation**  
Inform credit line strategies to encourage use of accounts that remain in good standing and reduce the exposure of higher risk accounts. Proactively increase, decrease, or retain current credit limits based on consumer behaviour that may indicate shifts in ability to pay.  

- 2 Customizable offers**  
Tailor offers and credit terms to promote the most appropriate products and terms based on consumer credit capacity. Including pre-approved credit cards, lines of credit, mortgages, auto loans, and more.  

- 3 Inform cross-sell and upsell strategies**  
Use payment behaviours to help determine potential additional spending capacity. Prioritize and rank customers by their estimated affordability to target additional offers.  

- 4 Proactive collections efforts**  
Identify customers at risk of default and proactively tailor debt consolidation offers to those nearing delinquency. Enhance collections strategies and efforts by rank ordering existing delinquent accounts.  


## Responsible lending starts with better insights

Delivering unrivaled consumer intelligence, Equifax Risk Capacity Index represents the cutting-edge of credit decisioning tools — giving lenders better data and insights to drive better business decisions.

See how Equifax Risk Capacity Index can help you drive portfolio growth, reduce risk, and support responsible lending practices.

[consumer.equifax.ca/business](https://consumer.equifax.ca/business)