

FICO® Score XD

KEY BENEFITS

Help grow your consumer portfolio by making secure offers to creditworthy individuals with little to no traditional credit files

More reliably assess risk on unscorable credit applicants

Streamline score integration with existing Equifax connectivity and the same 300–850 scale and odds to-score relationship as traditional FICO® score models

Open new accounts which can help consumers establish credit and gain long-term loyalty from customers entering mainstream credit

FCRA-compliant infrastructure and processes

Identify creditworthy consumers who can't be scored using only traditional credit

Consumers with little to no traditional credit files are often avoided by card issuers. The risk associated with the unknown is just too high. Yet, the opportunity associated with this consumer group—estimated at well over 50 million Americans¹—is tremendous. Balancing the risk with reliable insight is the key to breaking ground in this vast, largely untapped prospect audience.

FICO® Score XD, developed in partnership with Equifax® and LexisNexis® Risk Solutions, can help. It provides a valuable extension to traditional credit scores to help determine the risk associated with individuals who lack sufficient credit history. By offering a deeper layer of relevant financial insight, FICO® Score XD can help you pinpoint and target creditworthy prospects out of a previously untapped audience so you can securely grow your consumer portfolio.

Help predict future credit performance based on how consumers pay “everyday bills”

The power behind FICO® Score XD is fueled by multiple sources of alternative data. In addition to property and public record information and traditional credit data, the score includes positive and negative account payment data from the National Consumer Telecom and Utilities Exchange, Inc. (NCTUE®), exclusively managed by Equifax. Specifically, NCTUE® data includes payment history for bills pertaining to pay TV, utilities, telecommunications and more.

Knowing how consumers pay these “everyday bills”—which are generally not included in the traditional credit file—has proven to be highly predictive of their future account performance with similar look and feel to traditional tradeline information. With both positive and negative payment data reported, unique information is provided that is not often available within traditional credit files or often is negative only data. This additional layer of data can help make an effective gauge of future credit risk.

¹Based on Equifax®, LexisNexis®, and NCTUE® Data: Release Notes (October 2015).

EQUIFAX®



By supplementing a traditional credit score used by lenders with FICO® Score XD, you can improve your ability to predict consumer account performance and:

- More reliably assess risk on credit applicants who can't be scored using a traditional credit-based risk score
- Help safely approve more borrowers for card offers, specifically low risk borrowers traditionally underserved and underbanked
- Help drive additional revenue without increased loss rates

Help optimize profitability with a clearer view

Pair a traditional credit score used by lenders with FICO® Score XD to instantly get a broader view of the financial obligations and behaviors of more prospects and customers than ever before—even those who have been declined due to insufficient credit data and inability to obtain a credit score. When you can better understand how previously unscorable consumers are managing their credit and paying their everyday bills, you can make more tailored offers that help you:

- Win more new accounts while improving credit quality
- Deepen existing relationships by cross-selling and upselling relevant products and services
- Improve accuracy in evaluating previously unscorable consumers in a cost-effective manner

Create a “Win-Win” for you and your customers

Creditworthy consumers who have limited or no traditional credit history, very new credit or stale credit history, often simply need a chance—or in some cases, a second chance—to prove themselves. By taking a closer look at their financial behaviors with FICO® Score XD, you get more confidence to help you to be more comfortable with the risk.

You can win a profitable customer who pays their bills without issue, with the potential to grow that account over time as their credit trajectory improves. Your customer gains a trusted partner to help them establish a good credit history—a partner they're likely to reward with their card loyalty and long-term business.



CONTACT US TODAY

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