

Equifax Risk Score 3.0

Target More Profitable Markets While Reducing Losses with an Enhanced Scoring Solution

As a credit lender, you are faced with a multitude of decisions that determine the profitability of your business. Should you offer a repayment plan or decrease the credit limit? Should you cross-sell or offer a lower interest rate? When faced with these questions on a daily basis, you need a tool that will help speed your credit evaluation process while safeguarding you from business losses. Equifax Risk ScoreSM 3.0 (ERS 3.0) is the answer.

ERS 3.0 is a general-purpose risk model that predicts the likelihood of a consumer becoming seriously delinquent (90+ days past due or worse) within 24 months of scoring. This includes collections, charge-offs, repossessions, foreclosures and bankruptcies. All in all, ERS 3.0 allows you to target more profitable markets, realize higher approval rates with less risk, create more cross-selling opportunities, reduce losses and improve overall portfolio performance and profitability.

Reduce Risk. Improve Profitability. Grow Your Business.

By identifying and rank-ordering consumers based on their likelihood of serious delinquency, ERS 3.0 helps you:

- **Improve the quality of your portfolio** by pricing new customers based on their likelihood of future risk.
- **Control risk within existing portfolios** by re-evaluating customers' external credit situations on a continual basis.
- **Reduce losses** by quickly and consistently identifying candidates for collections based on their risk of default.
- **Increase the cost-effectiveness of your collections efforts** by focusing on higher-risk accounts that are less likely to self-cure.
- **Maximize your return on campaigns** by making the right offer to the right consumer based on credit worthiness.
- **Strengthen the value of current low-risk customers** by offering timelier authorizations for credit limit increases and over-limit spending.
- **Expand customer relationships** by cross-selling, up-selling or renewing low-risk account holders.
- **Boost approval rates without increasing your exposure to risk** by taking advantage of enhanced risk evaluation and increased coverage.
- **Successfully enter new markets** by evaluating the credit risk associated with expansion.

Easily transition from other scoring models

since ERS 3.0 offers both an odds score scale and a probability score scale.

Effectively score more consumers than alternative risk models. Emerging credit users are prime targets for product offerings, and currently inactive consumers may be profitable, given the right credit vehicle.

Seamlessly integrate with other Equifax scoring solutions, such as Bankruptcy Navigator Index[®] 3.0 and Equifax Income Predictor[®] 2.0 for a more comprehensive solution.

See ERS 3.0 scores on a sample report. ►

Start Benefiting from Enhanced Risk Assessment Today!

For more information about ERS 3.0 and other products from Equifax Analytical Services, call **1-800-879-1025** or contact your Equifax sales representative.

Sample of ERS 3.0 Odds Scale

- 1 Odds-scale version ranges from 280 to 850; the lower the score, the greater the likelihood of the consumer becoming severely delinquent. Double odds every 33 points, even odds of going severely delinquent (1:1) at 590.
- 2 Delivers up to four 3-digit numeric reason codes (along with narrative statements).
- 3 Narrative statements associated with reason codes indicate key factors as to why the consumer did not achieve the highest score possible.

1

EFX RISK 3.0 ODDS SCORE: 528

REASON CODES: 00200 00205 00088 00068 2

NARRATIVES:

3 NUMBER OF TRADES PAST DUE
 REVOLVING HIGH CREDIT
 MORTGAGE HIGH CREDIT
 AGE OF BANKCARD TRADES

*065 EQUIFAX INFORMATION SERVICES LLC
 P O BOX 740241,ATLANTA,GA,30374-0241,800/685-1111

*CONSUMER,JOHN,Q,JR SINCE 03/16/97 FAD 05/25/04 FN-214
 123,MAIN,ST,ATLANTA,GA,30302,CRT RPTD 05/04
 SSS-123-45-9789

*SUM-03/97-05/04,PR/OI-NO,COLL-NO,FB-NO, ACCTS:7,HC\$232-60000, 4-ONES, 2-TWOS,
 1-THREE.
 TRAINING FILE - NOT TO BE USED FOR CREDIT PURPOSES

INQUIRY ALERT - SUBJECT SHOWS 3 INQUIRIES SINCE 02/04

FIRM/ID CODE	CS	RPTD	LIMIT	HICR	BAL \$	DLA	MR	(30-60-90+)MAX/DEL
ECOA/ACCOUNT NUMBER			OPND	P/DUE	TERM			24 MONTH HISTORY
MAGNUS	1520N1026	R3	05/04	---	780	475	12/03	02
I/			10/02	60	---			
CAP 1 BANK	850BB1498	R2	05/04	---	900	529		08
I/			07/03	75	---			
RMCY/FDSB	401DC24	R2	05/04	---	500	250		
I/			02/02	60	---			
LOWES	404BB8029	R1	04/04	---	3346	3009	04/04	56
J/			03/97	---	---			
HERT BANK	460BB1033	R1	04/04	---	232	0	08/01	
I/			07/01	---	1M			
SINGLE PAYMENT LOAN								
REVOLVING TOTALS					---	5758	4263	
					195	---		

Sample of ERS 3.0 Probability Scale

- 1 Probability-scale version ranges from 1 to 999 (for example: a score of 900 equates to a 10% probability of going severely delinquent); the lower the score, the greater the likelihood of the consumer becoming severely delinquent.
- 2 Delivers up to four 3-digit numeric reason codes (along with narrative statements).
- 3 Narrative statements associated with reason codes indicate key factors as to why the consumer did not achieve the highest score possible.

1

EFX RISK 3.0 PROBLTY SCORE: 235

REASON CODES: 00200 00205 00088 00068 2

NARRATIVES:

3 NUMBER OF TRADES PAST DUE
 REVOLVING HIGH CREDIT
 MORTGAGE HIGH CREDIT
 AGE OF BANKCARD TRADES

*065 EQUIFAX INFORMATION SERVICES LLC
 P O BOX 740241,ATLANTA,GA,30374-0241,800/685-1111

*CONSUMER,JOHN,Q,JR SINCE 03/16/97 FAD 05/25/04 FN-214
 123,MAIN,ST,ATLANTA,GA,30302,CRT RPTD 05/04
 SSS-123-45-9789

*SUM-03/97-05/04,PR/OI-NO,COLL-NO,FB-NO, ACCTS:7,HC\$232-60000, 4-ONES, 2-TWOS,
 1-THREE.
 TRAINING FILE - NOT TO BE USED FOR CREDIT PURPOSES

INQUIRY ALERT - SUBJECT SHOWS 3 INQUIRIES SINCE 02/04

FIRM/ID CODE	CS	RPTD	LIMIT	HICR	BAL \$	DLA	MR	(30-60-90+)MAX/DEL
ECOA/ACCOUNT NUMBER			OPND	P/DUE	TERM			24 MONTH HISTORY
MAGNUS	1520N1026	R3	05/04	---	780	475	12/03	02
I/			10/02	60	---			
CAP 1 BANK	850BB1498	R2	05/04	---	900	529		08
I/			07/03	75	---			
RMCY/FDSB	401DC24	R2	05/04	---	500	250		
I/			02/02	60	---			
LOWES	404BB8029	R1	04/04	---	3346	3009	04/04	56
J/			03/97	---	---			
HERT BANK	460BB1033	R1	04/04	---	232	0	08/01	
I/			07/01	---	1M			
SINGLE PAYMENT LOAN								
REVOLVING TOTALS					---	5758	4263	
					195	---		