



Use historical data to **create and validate** credit decisioning models

How lenders can leverage consumer credit, alternative data, and an integrated analytical environment to inform models and speed time to market.



Business profile

A major bank seeks to create new lending decisioning models, as well as validate existing models.

Challenges

The bank wants to explore a comprehensive consumer dataset to better inform its model development and validation. Current economic conditions suggest the need to incorporate additional consumer financial criteria and attributes into its model development to better manage risk.

The bank has two goals:



Create new credit decisioning models to support its growing bankcard and direct retail lending businesses.



Validate an existing specialty lending model that had not been updated since before the pandemic.

Solution

Equifax provides archive data via Equifax Ignite® to enable the bank to analyze historical consumer financial data and inform its model development and validation.

Comprehensive archive data



Credit data:

- Core, trended, and ability to pay consumer credit scores and attributes
- VantageScore®
- FICO®
- Bankruptcy Navigator Index

Identity verification:

- Digital Identity Trust

Additional data:

- Reject inferencing
- Accommodation indicators
- Modification indicators

Alternative data:

- **OneScore:** Multi-data risk score
- **Insight Scores for credit cards, personal loans, and auto:** Optimized credit risk scores
- **DataX and Teletrack®:** Specialty finance data
- **Telecom and utility data:** Every day account payment history

Robust platform to access and test data

Equifax Ignite secure cloud-based analytical environment:

- **Upload and download** firm, Equifax, and third-party data
- **Conduct real-time**, on-the-fly analysis on an integrated dataset
- **Explore new scoring models** that better predict bankruptcy, delinquency, consumer debt-to-income (DTI), and additional metrics



Key benefits

Analysis using robust historical datasets will help the bank develop new and more predictive scorecards to guide its lending decisions in an uncertain economic climate. With multiple years of consumer data available, the bank can better develop new models as well as validate existing models to make sure they still meet business objectives.

The combination of robust data sets and a flexible, cloud-based analytics environment allows the bank to:

<p>Easily access and analyze multiple historical datasets</p>	<p>Test scenarios to meet desired risk thresholds using real data</p>	<p>Use iterative analysis to identify key attributes and criteria to increase approvals and lower risk</p>
<p>Speed new model development and create new scorecards across multiple credit tradelines</p>	<p>Validate and enhance existing models</p>	<p>Shorten time to market</p>

Action steps for lenders

- Enhance your credit decisioning models with **comprehensive consumer financial data**
- Speed your time to market with access to a **unified analytical environment**

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