Specialty Finance Data and Solutions
Combining the power of DataX and Teletrack
Why Specialty Finance Data?

- Equifax acquired DataX and Teletrack to expand the breadth of differentiated data assets into one exchange.

- DataX and Teletrack are specialty finance credit reporting leaders with the most comprehensive data not found in traditional credit bureaus.

- They provide alternative data to enable lenders and service providers to make informed credit decisions, increasing financial inclusion to a wider range of consumers.
Specialty Finance Data delivers actionable intelligence on non-traditional borrowers.

Comprehensive consumer data that enables businesses to:
- Manage risk proactively
- Safeguard their business and customers from fraud
- Lower customer acquisition costs
- Increase profitability and revenue opportunities
- Customize analytics to manage portfolio and asset performance

Performance consulting and analytics support

Data integrity and compliance evaluation

Reseller of key, high-demand products

Consumer credit data reported by data furnishers
Why is Specialty Finance important?

92.2 million consumers that are Near Prime or lower have limited to no access to affordable products.

U.S. consumer access to credit

DataX & Teletrack scores vs. general credit population

Mean Vantage Score

Short Term Lending Lease to Own ACRO
### Equifax is the market leader

#### The building blocks of our credit report and foundation of our modeling solutions utilizing DataX and Teletrack

<table>
<thead>
<tr>
<th>1</th>
<th>Dominant market presence</th>
<th>Comprehensive coverage on non-traditional credit data with more than 80+ million consumers that only Equifax can provide</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Attributes overview</td>
<td>600+ unique credit attributes generated from our proprietary Specialty Finance consumer credit database</td>
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</table>
| 3 | Inquiry and tradelines   | Gain a holistic view of positive and negative data to mitigate risk  
  |                           |   - Total inquiries  
  |                           |   - Oldest and most recent inquiries  
  |                           |   - Consumer application inquiries  
  |                           |   - Tradelines |
| 4 | Payments, charge-offs, and consumer stability | Access to near real-time loan statuses, payment history, and identify susceptible consumers who frequently change PII |
Specialty Finance data is critical for many industries

- Short-term lending and online installment
- Lease-to-own and Rent-to-own
- Collection
- AltFi and Fintech
- Auto
- Banking
- Marketing
- and many other applicable markets
Say “Yes” to more consumers with Speciality Finance data — across the customer journey

**Discover**
Better understand behavior to identify and target new customers

**Acquire**
Approve more consumers without taking on more risk

**Manage**
Proactively monitor the risk of your portfolio

**Recover**
Find alternative contact info and prioritize collections
Our Specialty Finance Solution Suite

Suite of products support the full customer lifecycle

Discover

Acquire – Verification

Manage

Recover

Identification
Credit check
Bank info

PRESCREEN

Refine marketing strategy and better segmentation

IDENTITY VERIFICATION

Cross-check consumer against billions of unique records

MILITARY VERIFICATION

Identifying consumers regulated by the Military Lending Act

CREDIT REPORT AND ATTRIBUTES

Real-time credit report and attributes from the industry’s most comprehensive repository

ID SCORE ACTION

A score that applies innovative analytics to assess risk of fraud and credit loss

BANK ACCOUNT VERIFICATION

Real-time check of bank account status, standing and validity

CHEX ADVISOR

Complete consumer debit history delivered in real-time

CASH FLOW INSIGHTS

Consumer permissioned comprehensive bank transaction data

PORTFOLIO REVIEW

Manage the dynamic risk of your entire account base

DEBTOR/CONTACT TRACE

We help lenders locate hard to find debtors

Our portfolio of services is fully customizable and can be leveraged individually, in combinations, and in a waterfall.
Discover: Prescreen

Find consumers that meet your risk profile that are in the market for your products

Prescreen Appends

- **Extend offers:** Refine your prescreen strategies with data that helps with targeting offers to thin-files, no files, credit seeking, subprime, near prime, and prime consumers

- **Identify consumers:** Layering Specialty Finance to help increase conversion by targeting the right consumers at the right time and exclude unqualified prospects

- **Data source options:** Run as a “Single Source Provider” or in conjunction with other data sources

- **ProspectX:** Identify which consumers are in the market for Specialty Finance loans and are most likely to accept an offer

Prescreen Extracts

- Extract consumers for given range of ages, states, and/or zips to find new names
Discover: Appends

Predictive attributes that support lift and response rate

How clients are using attributes:

- **Positive model results:** Customers use several Specialty Finance attributes in their model to see if there is a positive relationship and remove negative ones.

- **Increase in response rate:** Customers have seen an increase of response rates up to 25%.

- **Predictive attributes:** Customers have seen good results in response rates by using the following attributes:
  - Total number of All Industries
  - Total number of Inquiries for Check Advance Industry >=1
  - Total number of Inquiries for Other Industries: Past 9 Months
  - Total number of Inquiries for Other Industries
  - Age in Weeks of Recent Inquiry
Discover: Header data

Provides alternative consumer identity information to maximize identity verification

- **How it helps:** Identity verification, Know Your Customer (KYC), fraud detection
- **Fields include:** SSN, name, DOB (MM/DD), address, and primary and work phone numbers

**Diverse**
Compiled from short-term loans, installment loans, non-prime credit cards, lease-to-own, rent-to-own and more

**Consistency**
- Deep history and expertise collecting and providing data
- Sourced from consumer applications

**Coverage**
- Up to 7 years of data
- Up to 5+ values provided for each field appended

**Freshness**
Real-time transaction data
**Acquire: Underwriting & Origination**

**ACQUIRE SOLUTIONS**

**IDENTIFICATION**
- **THE WORK NUMBER**
  - Verify employment and income information provided by applicant
- **IDENTITY VERIFICATION**
  - Cross-check consumer against billions of unique records
- **MILITARY VERIFICATION**
  - Identifying consumers regulated by the Military Lending Act

**CREDIT CHECK**
- **CREDIT REPORT AND ATTRIBUTES**
  - Real-time credit report and attributes from the industry's most comprehensive repository
- **ID SCORE ACTION**
  - A score that applies innovative analytics to assess risk of fraud and credit loss

**BANK INFO**
- **BANK ACCOUNT VERIFICATION**
  - Real-time check of bank account status, standing and validity
- **CHEX ADVISOR**
  - Complete consumer debit history delivered in real-time
- **CASH FLOW INSIGHTS**
  - Consumer permissioned comprehensive bank transaction data
Manage: Account review

Credit risk does not remain static after an account is booked. Specialty Finance data from Equifax can help you manage the dynamic risk of your existing account base.

- Understand a consumer’s true indebtedness and their ability to manage even the smallest of loans
- Assess value with periodic reviews of your entire portfolio and modify your strategy to increase/decrease line of credit, freeze credit, start collection, or offer new products for specific clients
- Ensure that your loss reserves are appropriate
- Identify cross-sell and upsell opportunities
- Reduce your exposure on high-risk accounts
- Improve portfolio profitability through targeted actions based on the changing credit profiles of your customers
Manage: Archives and underwriting updates

Conduct validations to help build better risk models

- Enable building underwriting models that can be deployed during go-live to facilitate immediate ROI on risk reduction and/or universe expansion strategies
- Append our credit data attributes to your historical prescreen or prequalification programs before you start any customer segmentation, or marketing campaigns
- Validate how well your underwriting models predict future consumer behavior using historical credit data
Recover

Recover assets more efficiently with accurate, real-time data to support collection efforts

How it helps:
- Accelerate debt recovery
- Shorten debt collection cycle
- Reduce collection efforts
- Fields include: SSN, name, DOB (MM/DD), address, email, place of employment, and primary and work phone numbers

Product services available:
- Debtor/Contract Trace
- Specialty Finance Triggers (coming soon)
Client examples

Leveraging Equifax differentiated data to say “yes” to more consumers
We help clients in the specialty finance industry meet – and exceed – their conversion targets and decrease first payment default (FPD) by combining the value of DataX and Teletrack data.

### Impact:

<table>
<thead>
<tr>
<th>Client</th>
<th>KS Lift</th>
<th>FPD</th>
<th>Approval</th>
<th>Conversion</th>
<th>Hit</th>
<th>ROI</th>
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Note:
All numbers are computed as (new-old)/old
ROI is defined as profit/(loan_amount+data_cost)
Layering on Teletrack data to DataX revealed a noticeable reduction in **first payment default from 16.9% to 15%** without sacrificing acceptance rate, and clients saw a positive increase in ROI.

**Equifax can help.**

We work with clients to refine their existing products, rules and explore opportunity to include differentiated data to enhance their existing model.
A recent client in the speciality finance space included our Specialty Finance data in addition to traditional credit data to enhance their direct mail strategy.

**Benefits**

- Provided **92% coverage** of client’s prescreen mailed population
- Significant reduction of **28% in FPD** while maintaining high response rate of 3%
- ~23% increase in **ROI** compared to current prescreen
- One-stop shop to leverage multiple data assets

Results of this study demonstrate the truly **unique** value Equifax provides by bringing together multiple alternative data assets, enabling clients to achieve their objectives of enhanced credit decisioning and loan performance predictability.
Questions?
powering the world with knowledge™
Appendix
Our Specialty Finance Solution Suite

Suite of products support the full customer lifecycle

Discover

- Identification
- PRESCREEN
- Refine marketing strategy and better segmentation
- Cross-check consumer against billions of unique records
- Cross-check consumer regulated by the Military Lending Act

Acquire – Verification

- Credit check
- ID SCORE ACTION
- A score that applies innovative analytics to assess risk of fraud and credit loss
- BANK ACCOUNT VERIFICATION
- Real-time check of bank account status, standing and validity
- Complete consumer debit history delivered in real-time

Manage

- Bank info
- THE WORK NUMBER® ALT-FI APPLICATION INDICATOR
- Consumer permissioned comprehensive bank transaction data
- Annualized income, employment status, applicant's last pay date and frequency

Recover

- Discover
- PORTFOLIO REVIEW
- Manage the dynamic risk of your entire account base
- DEBTOR/CONTACT TRACE
- We help lenders locate hard to find debtors

Our portfolio of services is fully customizable and can be leveraged individually, in combinations, and in a waterfall.
Underwriting waterfall — Online

Services can be ordered in any combination to optimize Cost per Accept

LEAD GENERATOR
10x Volume vs what DataX sees!

Lending Platform
Lead Verification

Internal data checks

DATAX CREDIT REPORT AND TELETRACK CREDIT VARIABLES
Credit Attributes
Tradeline Performance
Inquiry Velocity

ID SCORE ACTION
Willingness
Ability
Stability

DATAX IDV
Know Your Customer
OFAC Verification

DATAX BAV
Bank Account Risk

CHEXADVISOR
Real-time Debit Data

MILITARY CHECK
Safe Harbor for MLA

CONTACT TRACE
Collections Phone Data

Funding
Example of specialty finance in a waterfall decision tree

**DataX (no Teletrack):**
- Score 1 = Custom DataX Risk Score
- Score 2 = Custom DataX + IDSA Custom Risk Score (Embedded model score)
- Score_cutoff1 = 500

**DataX + Teletrack:**
- Score 1 = Custom DataX + Teletrack Risk Score
- Score 2 = a. Custom DataX + Teletrack Risk + IDSA Custom Risk Score (Embedded model score) or b. IDSA score
- Score_cutoff1 = 480
TOTAL PORTFOLIO PERFORMANCE. DataX offers a full range of sophisticated analytics for the financial services industry. These include:

- **Risk modeling**
  - Underwriting rules: Pre-launch testing, post-launch reviews
  - Positive decisioning: Risk segmentation, business rules

- **Monitoring and testing**
  - Stability reporting
  - Accept/fail rates analysis

- **Profit and loss analysis**
  - Cost per accepted
  - Cost per funded
  - Cost per inquiry

- **Quality audits**
  - Analysis of reported data
  - Payment audits
  - Regulatory compliance

- **Research**
  - New services and techniques
  - Industry trend analysis
  - Consumer behavior analysis

Limit your exposure, reduce losses, and customize performance to meet your business needs.
Teletrack alternative data attributes

The building blocks of our credit report and the foundation of our modeling solutions

600+ credit variables generated from our proprietary consumer credit database

Time velocities in days: 7, 14, 30, 60, 90, 180, 270, 365, and 730

Unique categories of variables by industry type:
- All industries
- Auto finance
- Rent-to-own
- Cash advance (storefront / internet)
- Credit card
- Other

Attribute types

Inquiries
- Total inquiries
- Inquiries with presence or absence of charge-off
- Oldest and most recent inquiry
- Inquiries with other merchants or with same merchant

Loans
- Active loans
- Paid loans
- Loans opened
- Bad loans and oldest bad loan
- Good loans and oldest good loan

Charge-offs
- Total charge-offs
- Predictive charge-offs
- Paid charge-offs
600+ credit variables generated from our proprietary consumer credit database

Time velocities in:
- **Days:** 1, 3, 7, 14, 30, 60, 90, 120, 180
- **Years:** 1, 2, 3, 5, 7

Data includes Inquiries, Tradelines, and Payments from the following verticals:
- Specialty Finance
- Subprime Auto
- Lease to Own
- Auto Title Loans

**Attribute types**

**Inquiries**
- Inquiries
- Daily Inquiries
- Application Inquiries

**Tradelines**
- Active loans
- Paid loans
- Loans opened
- Charge-offs

**Payments**
- Debit Attempted
- Payments Completed
- Returns

**Consumer stability**
- Address counts
- Phone counts
- Bank account counts
- Email counts
Teletrack header data

Provides alternative consumer identity information to maximize right party connects for consumer verification and/or collection efforts

- **Fields include:** SSN, name, DOB (MM/DD), address, and primary and work phone numbers
- **How it helps:** Identity verification, KYC, fraud detection, skip locate, accelerate debt recovery, and shorten debt collection cycle

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**Diverse**
Compiled from short-term loans, installment loans, non-prime credit cards, lease-to-own, rent-to-own and more

**Coverage**
- Seven years of transaction data
- Unlimited values provided for each field appended

**Comprehensive**
Transactions not seen by traditional credit bureaus
- 99% fill rate on address

**Consistency**
- Deep history and expertise collecting and providing data
- Sourced from consumer applications

**Freshness**
Real-time transaction data