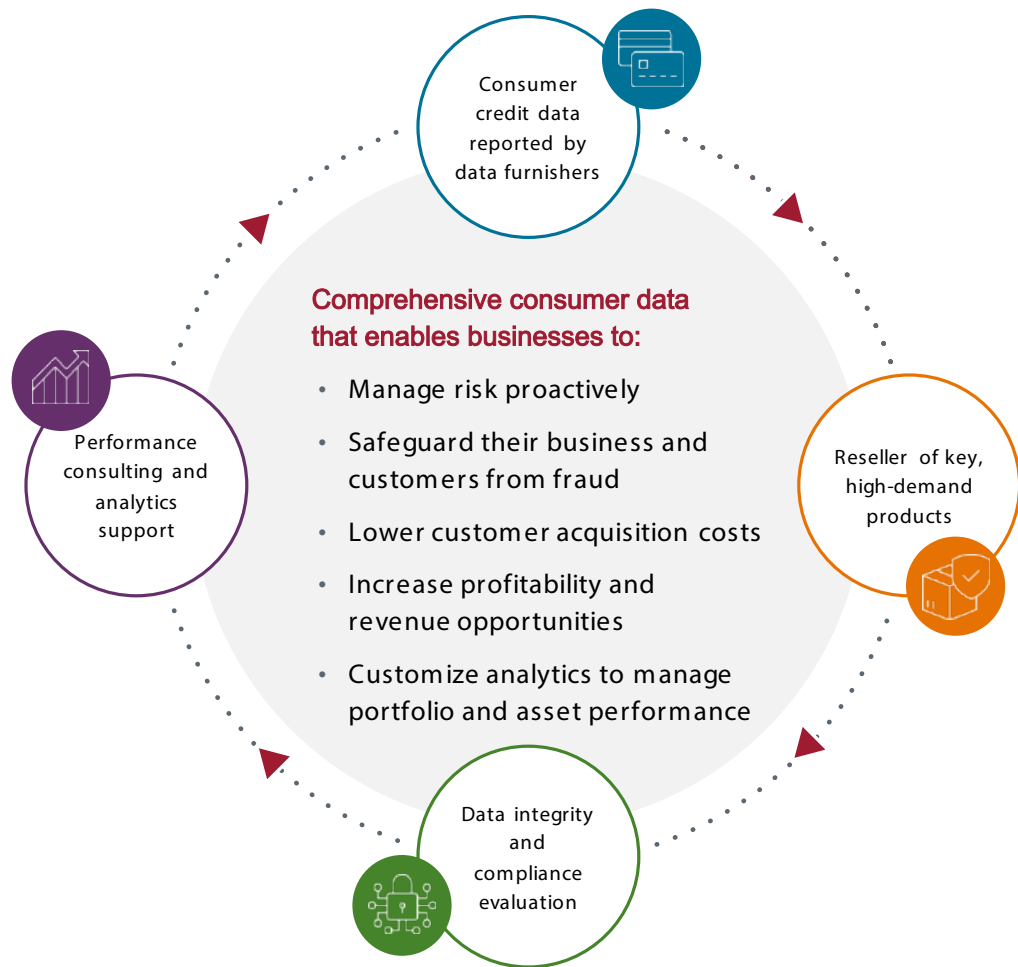# Specialty Finance Data and Solutions

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


Consumer credit data reported by data furnishers

Reseller of key, high-demand products

Data integrity and compliance evaluation

Performance consulting and analytics support

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

EQUIFAX

Why is Specialty Finance important?

92.2 million consumers that are Near Prime or lower have **limited to no access** to affordable products
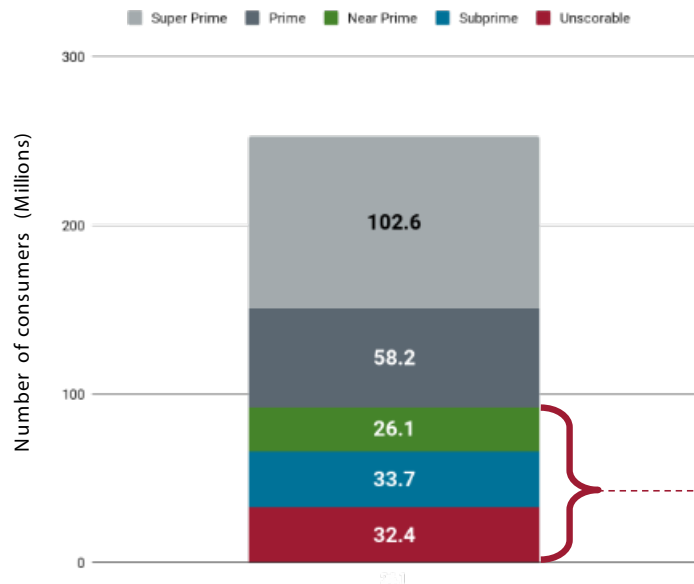
U.S. consumer access to credit
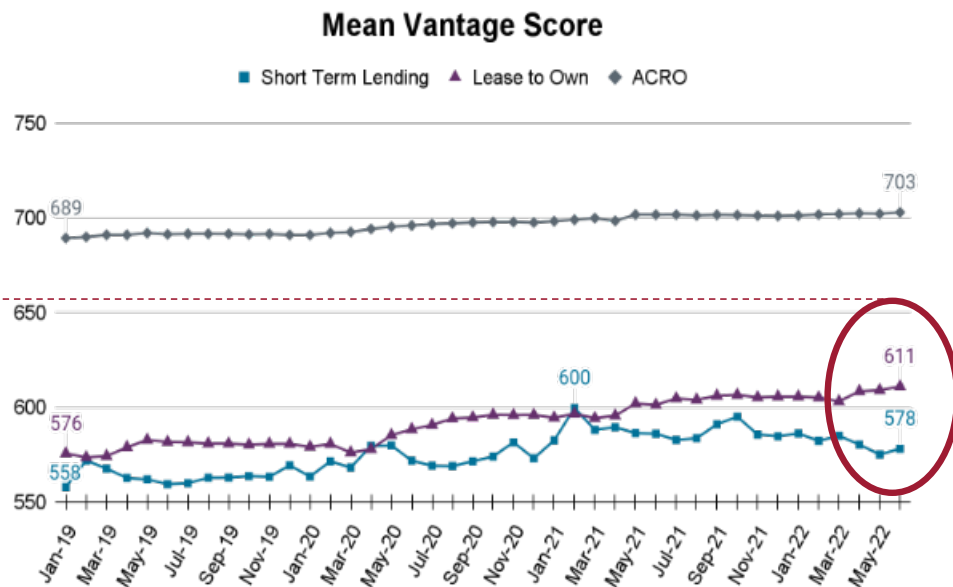
DataX & Teletrack scores vs. general credit population

Equifax is the market leader

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

1	Dominant market presence	Comprehensive coverage on non-traditional credit data with more than 80+ million consumers that only Equifax can provide
2	Attributes overview	600+ unique credit attributes generated from our proprietary Specialty Finance consumer credit database
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
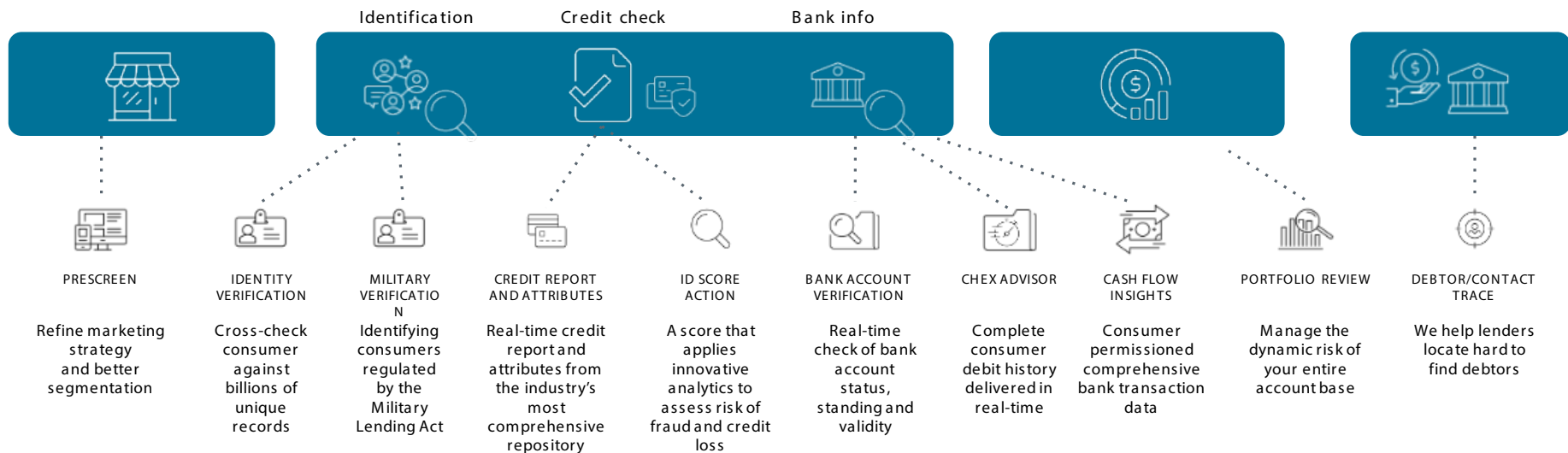
Our Specialty Finance Solution Suite

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 supports 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

CREDIT CHECK

BANK INFO

THE WORK NUMBER

Verify employment and income information provided by applicant

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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

Short-term Lending (STL) validation results (updated)

Example case:

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:

Client	KS Lift	FPD	Approval	Conversion	Hit	ROI
A	4% ↑	14% ↓	37% ↑	1% ↑	14% ↑	39% ↑
B	49% ↑	26% ↓		26% ↑	3% ↑	7% ↑
C	3% ↑	24% ↓		24% ↑	3% ↑	22% ↑
D	8% ↑	22% ↓	20% ↑	5% ↑	7% ↑	13% ↑

Note:
All numbers are computed as (new-old)/old
ROI is defined as profit/(loan_amount+data_cost)

EQUIFAX

RTO/LTO client validation

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.

Direct mail validation study

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**.

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Questions?

powering the world with knowledge™

Appendix

Our Specialty Finance Solution Suite

Suite of products support the full customer lifecycle

Discover	Acquire – Verification	Manage	Recover

Identification · Credit check · Bank info

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THE WORK NUMBER® ALT-FI APPLICATION INDICATOR

Annualized income, employment status, applicant's last pay date and frequency

PORTFOLIO REVIEW

Manage the dynamic risk of your entire account base

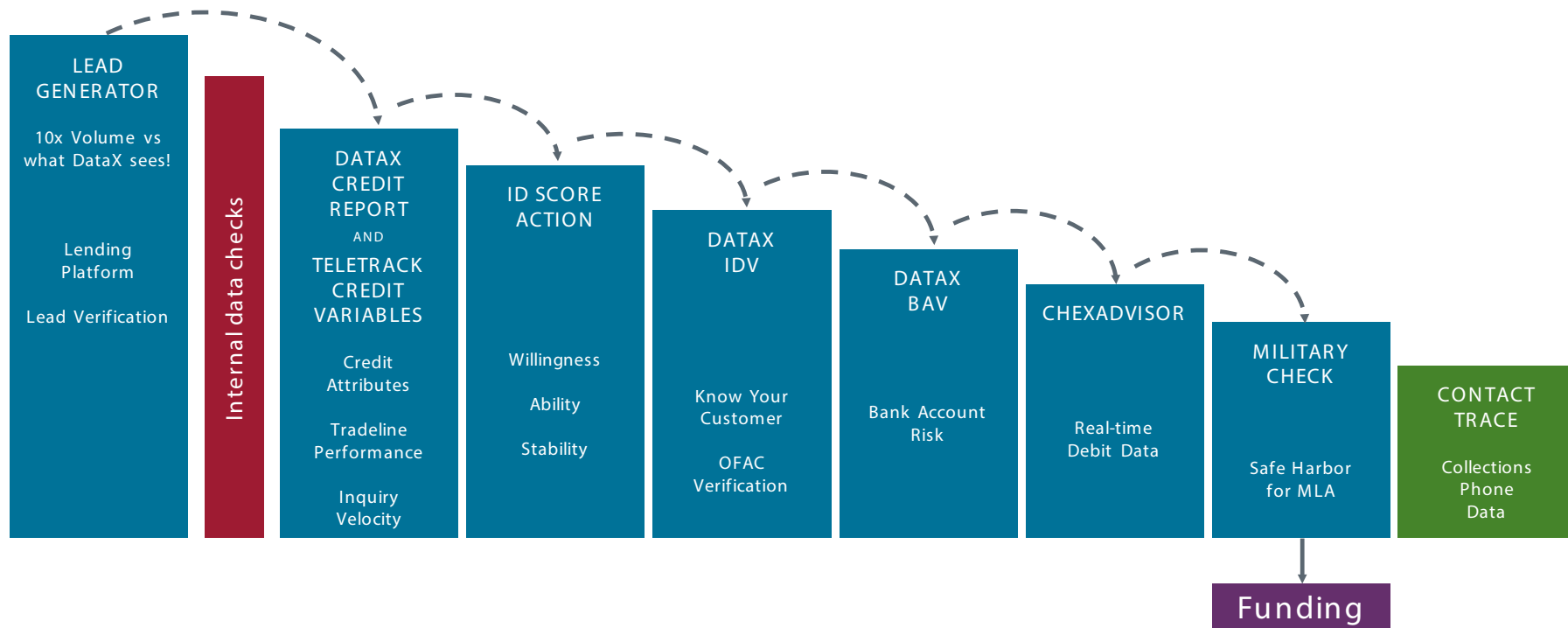**DEBTOR/ CONTACT TRACE**

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
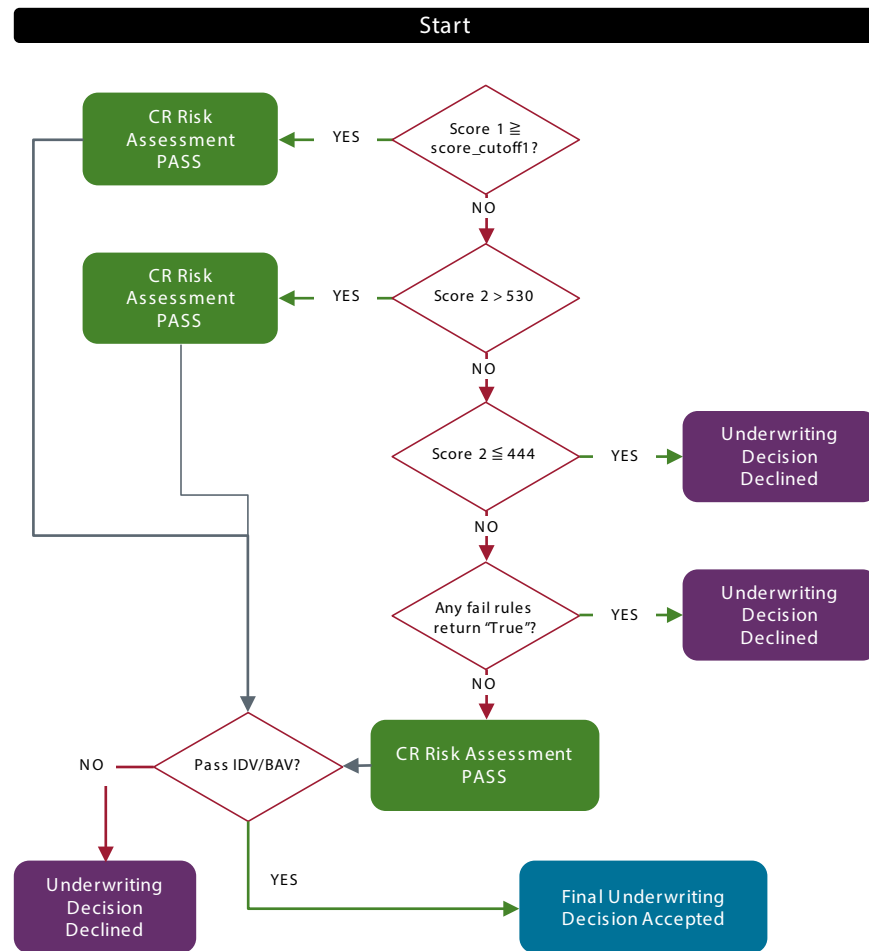
Analytics

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

Profitability

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.

EQUIFAX

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

DataX alternative data attributes

DataX alternative data

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

Diverse	**Coverage**	**Comprehensive**	**Consistency**	**Freshness**
Compiled from short-term loans, installment loans, non-prime credit cards, lease-to-own, rent-to-own and more	• Seven years of transaction data • Unlimited values provided for each field appended	Transactions not seen by traditional credit bureaus • 99% fill rate on address	• Deep history and expertise collecting and providing data • Sourced from consumer applications	Real-time transaction data

EQUIFAX