Review lending accounts frequently and increase cost savings by 40%-50%

Take action fast to prevent losses

Your customer’s financial situations are constantly changing — especially now. From job changes, to inflation, to student loan payments, delinquencies, and other financial impacts, your customer’s costs are faced with new challenges that impact their wallets.

Here’s why it’s time to increase the frequency of your account reviews:

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Monthly Efficacy Degradation</th>
<th>Annual Efficacy Degradation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>10%</td>
<td>50%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>Monthly</td>
<td>75%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

With so much uncertainty facing consumers, annual or quarterly reviews may not be sufficient to effectively manage risk.

Here are the potential cost savings:

- Monthly effectiveness degradation equals 50%.
- Immediate risk mitigation effectiveness equals 10%.

What this could look like for lenders

Prime lender ($3M account portfolio)
- ~2,700 accounts likely to go 60+ DPD within the next 6 months
- Exposed risk is reduced as account review frequency increases.
- Lenders could hope to save:
  - Monthly: $1.8M
  - Annually: $21.6M

Subprime lender ($1.6M account portfolio)
- ~9,600 accounts likely to go 60+ DPD within the next 6 months
- Lenders could hope to save:
  - Monthly: $6.3M
  - Annually: $75.6M

Maximize your power to mitigate risks.

\[ \text{Exposure} \times \text{Improvement} = \text{Savings} \]

Now is the time to increase account review frequency to protect dollars at risk!

How Equifax can help

Work with Equifax to boost the power of your account management.

1. Ensure you have the right data to perform account review — both credit and alternative data.
2. Increase review frequency.
3. Get timely notifications of changes to customer credit.

Ask yourself:
What would these results look like for my portfolio?

With so much uncertainty facing consumers, annual or quarterly reviews may not be sufficient to effectively manage risk.

Here’s why it’s time to increase the frequency of your account reviews:

- Decrease in the efficacy of loss mitigation programs for every monthly review that is skipped.
- Increase in cost savings that can be achieved by using early risk and retention signals to identify new dollars at risk.

40-50%

50%

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Contact us to enhance your account management at USISmarketing@equifax.com or equifax.com/DDM