



**EQUIFAX®**

The Work  
Number®

# Webinar

## **Fuel Your Auto Lending During Tax Season:**

Strategies to Help Maximize  
Returns & Mitigate Risks

February 20, 2025



# Thanks for joining our webinar



## Welcome!

Thank you for joining our webinar. Stay tuned for more from Equifax Verification Solutions!



## Questions?

Please enter your questions in the chat box on your screen at any point during the presentation.



## Recording

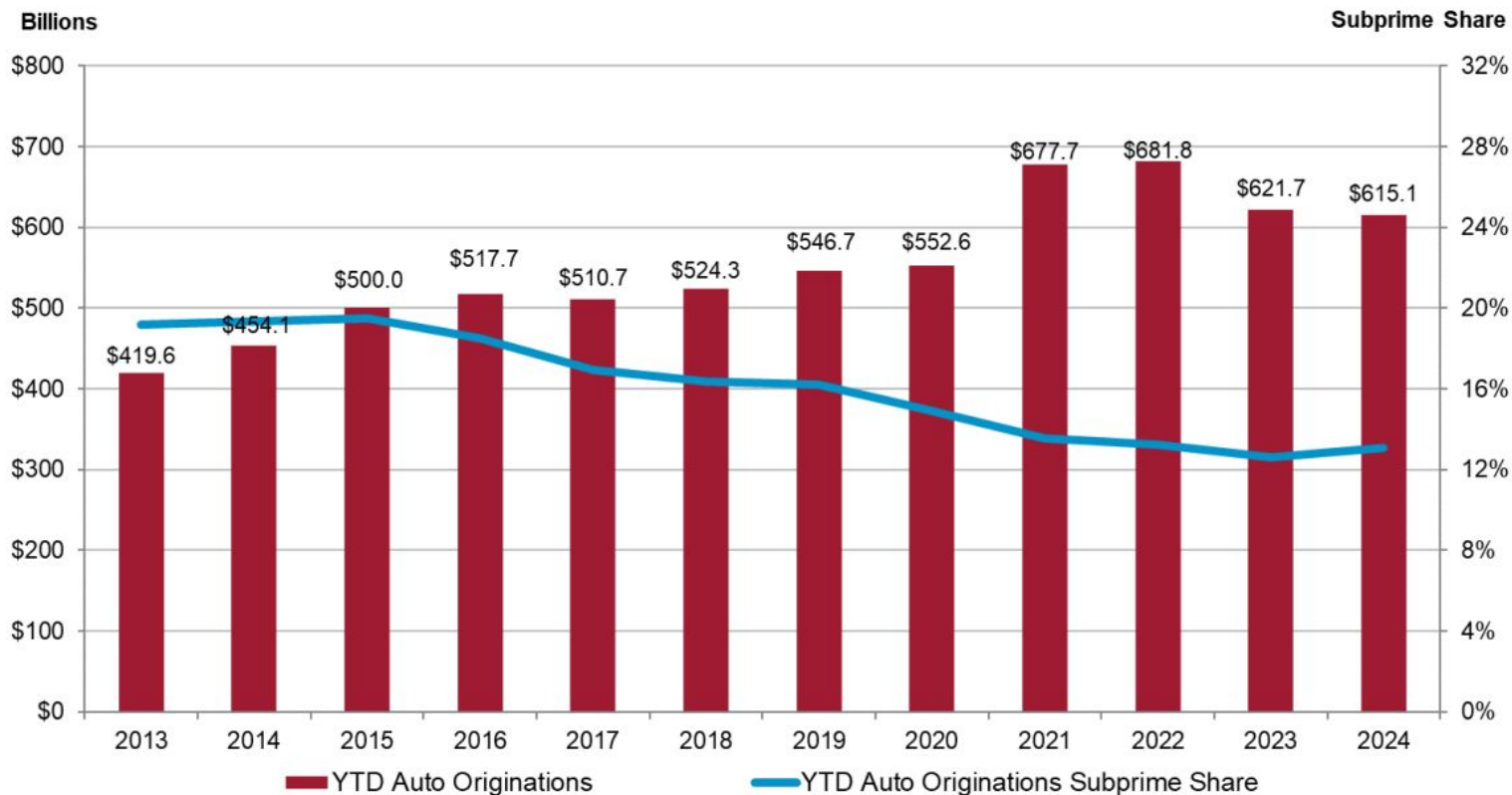
This webinar is being recorded. You will receive an email with a link to view the recording in the coming days.

# Critical items we'll discuss today

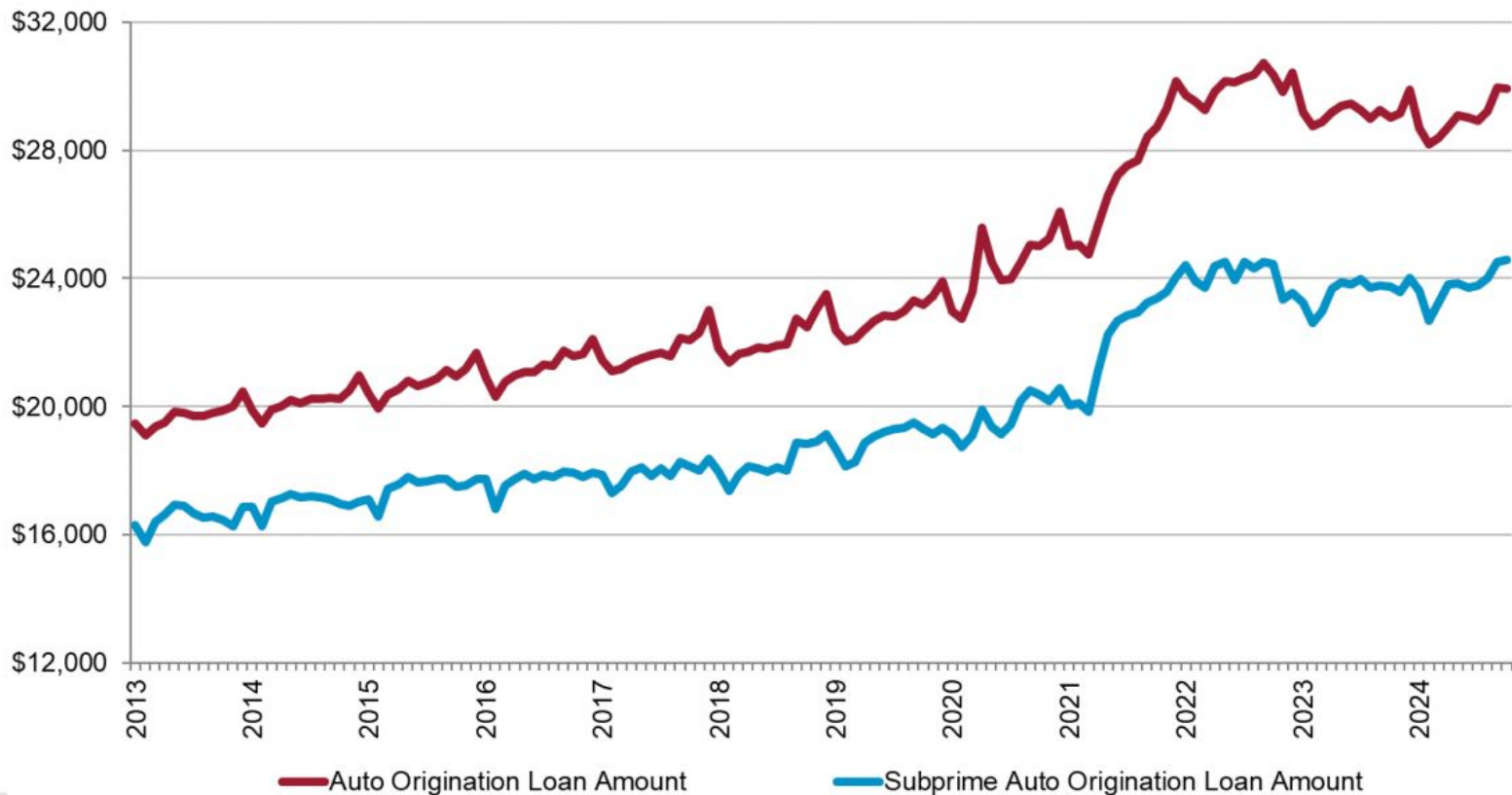


- **How real time data drives success during tax season and beyond**
- **The importance of verifications for near-prime and prime applicants**
- **How to navigate identity verification challenges**

# Auto Originations - up to Oct 24



# Auto Average Origination Balance - up to Oct 24



# Poll 1

Do you do any marketing around tax season time?

- A. Yes
- B. No

# Statistics for Tax Season

Are you as a lender prepared for the competitive tax season?

## Macro

Loan originations typically **increase 12%-20%** during the tax season.

## Lender Trends

Historically, the number of income inquiries per origination increases by **20% during tax season**. This indicates a more competitive landscape during the key buying season.

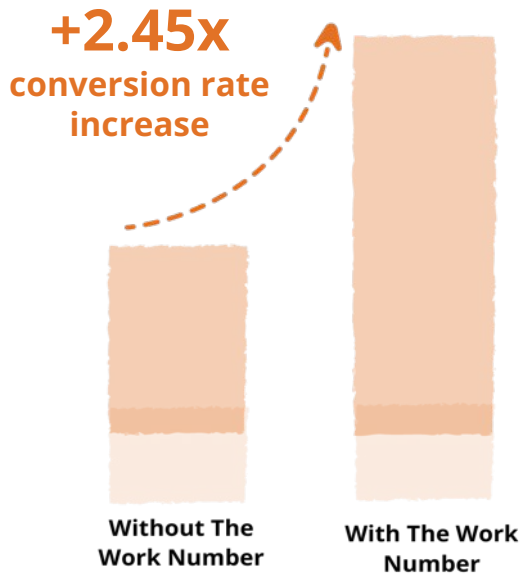
## Competitive Environment

Lenders strive to be faster and easier to work with. During tax season this is especially important because we have seen timing from income inquiry to trade origination **decreasing by 6% during the buying season**.



# Convert More Auto Loans with The Work Number®

A 2022 Equifax study compared auto lenders who competed on 100K or more auto loan applications per month.



Auto Lenders who use instant income and employment data have observed a **2.45x increase in conversion rates** across all credit bands.

**Instantly respond to dealers** with your loan approvals without sacrificing quality and, potentially, without stipulations.

Integrate income and employment verifications to **speed up loan origination**—from application through funding.

**Say “yes” to more applicants** with a clearer view of creditworthiness and ability to pay.

**Provide a better customer experience** by developing a more seamless, faster, and modern decisioning processes.



# Importance of Verifying Income and Employment for Prime & Near-Prime Applicants

# Same credit score. Very different people.

## Answer key questions:

- ☒ Is this person who they say they are?
- ☒ How high is the line increase request?
- ☒ Does our policy require us to collect additional validations?
- ☒ Is the application data correct?
- ☒ Is the applicant's stated income close to our income estimates?
- ☒ Does this customer have capacity for additional debt?
- ☒ Should we request additional documentation?

Richer profiles, better decisions.



Identity	Name: <b>Thomas S Citizen</b> Address: 123 Main St, Town, USA, 12345 Phone: 555-555-5555 DOB/SSN: 7/3/1985, xxx-xx-1234 Own/Rent: Own Yrs at address: 8 Digital ID: Confirmed device belongs to Thomas	<b>Suzy L Applicant</b> 456 Up St, City, USA, 54321 888-555-5555 4/10/1983, SSN: xxx-xx-1234 Rent 2 Confirmed device belongs to Suzy
Consumer Credit	Credit Score: 726 Total trade lines: 13 Available credit: \$22,500 Mortgage balance: \$180,250	726 24 \$122,500 n/a
Income & Employment	Employer and tenure: ACME; 52 months Annual Salary Income: \$123,200	ABC Co; 10 months \$84,600
Specialty Finance	Trades lines: 0	2
Telecom & Utilities	Active utilities: 4 Late pymnts 24 mo: 0 Collections efforts: None	4 2 1
Financial Capacity (Household)	Est. Assets: \$622,000 Est. Income: \$235,000 Est. Financial Durability: High	\$12,000 \$95,000 Medium
Business	Business owner: Y Available credit: \$150,000 Est. Assets: \$250,000	N n/a n/a

# Prime vs SubPrime Lending - Loan Differences

Average Prime Loan	
Loan amount	\$30.0K
Annual interest rate	7.00%
Loan period in years	6
Loan Summary - Prime	
Monthly payment	\$511.47
Number of payments	72
Total interest	\$6.8K
Total cost of loan	\$36.8K
Estimated Profit Per Loan	\$0.68K

Average Subprime Loan	
Loan amount	\$24.0K
Annual interest rate	20.00%
Loan period in years	5
Loan Summary - Subprime	
Monthly payment	\$635.85
Number of payments	60
Total interest	\$14.2K
Total cost of loan	\$38.2K
Estimated Profit Per Loan	\$1.4K

## What happens if Loan goes Delinquent after 2 Years

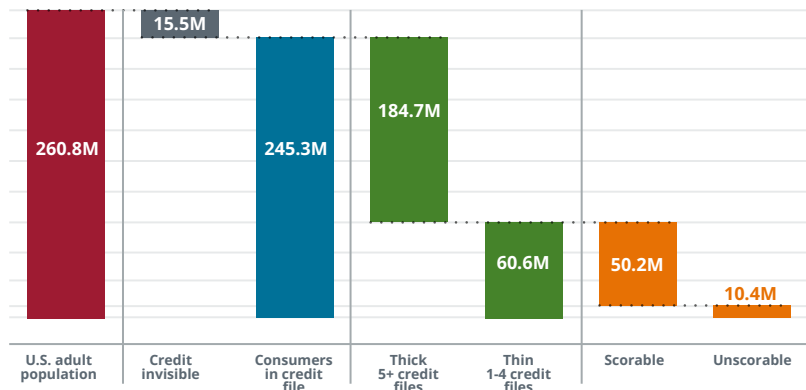
Revenue Earned	\$3.6K	Revenue Earned	\$8.4K
Missed Revenue	-\$3.2K	Missed Revenue	-\$5.8K
<b>Extra loans needed to make up loss</b>	<b>4.68</b>	<b>Extra loans needed to make up loss</b>	<b>4.09</b>

Credit data alone is no longer enough to compete.

## Move beyond a one-dimensional credit view.

Market innovators — including your competitors — are leveraging this edge.  
**So can you.**

### U.S. CONSUMERS



**Scorable:** Consumers who have enough credit history to compute a score. However, more information would yield better insight into loan affordability.

**Unscorable:** There's too little information to compute a score at all.

Expanded data creates a picture of **consumers** who are either credit invisible or who have thin files.

**76.1M**

Consumers with thin files or are credit invisible

Expanded and alternative data can **reveal qualified applicants that are hidden** — and give a better view of current customers.

# Poll 2

What type of fraud do you encounter most?

- A. Synthetic
- B. Identity
- C. Income / Employment

# Early authentication with The Work Number ID

Our identity validation service gives you assurance early in the credit cycle.

Get an  
immediate  
match



Given the size of our database, we can help validate an applicant's name and Social Security Number (SSN).



Validating identity at the very beginning of the loan process helps protect you as the lender while also greatly improving efficiency.

Three  
possible  
results of  
The Work  
Number ID:



**Search results  
show match:**

Name and SSN align with  
Name and SSN in The  
Work Number database.



**No match:**

Name or SSN does not  
match a record in TWN.



**No hit:**

No record with the SSN  
exists in TWN.

# Benefits of **verified address** vs. **outdated residency information**

## Residency from The Work Number database

- ✓ Employer- or payroll-provided address, where available
- ✓ Verified address updated each pay cycle

## Non-Verified Residency Sources

- ✗ How recent has the address been updated?
- ✗ From where is the non-verified address sourced? (cell phone, utility bill)
- ✗ What is the cost associated with chasing the wrong address?



# Poll 3

How many companies / vendors / processes do you have to combat identity and synthetic fraud?

- A. 1-2
- B. 3-5
- C. More than 5



# Questions?



# Next Steps



## 1 SURVEY

Complete the survey through the webinar console



## 2 CONTACT

Want to talk to someone about your portfolio review processes? Click on the “Want to Get In Touch” button on your webinar console or contact us at:

<https://theworknumber.com/contact>



## 3 CONNECT

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