



How much can increased predictive power impact profits?

LexisNexis® RiskView™ can effectively evaluate the creditworthiness of over 40 million consumers with little or no credit history.

LexisNexis® RiskView™ Solutions



Risk Solutions

Predicting and managing risk is critical today

Today lenders are faced with an unprecedented convergence of multiple industry challenges:

- The economy is straining.
- Unemployment remains high.
- Competition for quality customers is fierce.
- Stringent new legislation is tightening lending regulations.

As a result of these challenges, lenders are looking for new ways to improve credit underwriting decisions to grow revenue and maintain profitability. The holistic perspective delivered by LexisNexis® RiskView™ Solutions helps lenders assess risk, reduce losses and increase the profitability of their portfolio.

“Lenders are increasingly turning to non-traditional credit scoring to expand their pool of creditworthy applicants.”

– American Banker

Understand your customers’ lives and predict risk better

One of the most impactful ways to grow business and remain profitable in these turbulent times is to utilize alternative credit data to better predict a consumer’s creditworthiness. LexisNexis RiskView Solutions can tell you a lot more about your customers and prospects than

The Alternative Credit Data behind Riskview Helps Assess a Consumer’s Stability, Ability to Repay and Willingness to Repay

RiskView Alternative Credit Data		
Stability	Ability to Repay	Willingness to Repay
<ul style="list-style-type: none"> • Address stability • Home ownership • Phone service history • Voter registration • Short-term loan inquiries • Distressed property sales • Economic trajectory of last move 	<ul style="list-style-type: none"> • Property value • Mortgage amount • Recreational assets • Occupational licenses • Education history • Estimated income 	<ul style="list-style-type: none"> • Criminal records • Bankruptcies • Liens • Judgments • Evictions

traditional credit bureau data can alone. RiskView Solutions leverage the industry's largest collection of public records and other alternative credit data sources providing lenders with a unique and powerful view on the creditworthiness of a consumer. The holistic perspective delivered by RiskView Solutions helps lenders assess risk, reduce losses and increase the profitability of their portfolio.

RiskView Improves Results Across Every Consumer Credit Decision

RiskView Alternative Credit Data

Marketing

- Leverage mail-based or instant prescreen capabilities to extend pre-approved offers of credit
- Identify existing customers eligible for additional products

Application

- Effectively evaluate credit applications
- Intelligently determine product line and rate assignment
- Income validation

Account Management

- Criminal records
- Bankruptcies
- Liens
- Judgments
- Evictions

Collections and Recoveries

- Improve the effectiveness of your collections and recovery programs

Alternative Data Advantage

- Provides a holistic view by combining life event data
- Leverages leading indicators of risk
- Delivers a detailed perspective of consumer behavior
- Helps understand the consumer "balance sheet"

Maximize predictive power

This type of life event analysis and scoring looks at a wide range of data related to a consumer's individual circumstances. When you know more about what people own, the type of property they live in, significant events in their life and certain patterns they've displayed in recent months, you can begin to create a detailed profile and understand their situation at a more intimate level. Utilizing new sources of relevant information allows you to maximize predictive power in your credit decisions.

Using powerful linking and analytics technology, we bring our massive public records data together with other relevant and revealing proprietary data to give you more valuable risk-decisioning intelligence about your customers and prospects.

"99% of the juice has been squeezed out of the credit report, I need more to work with to differentiate."

– VP Credit Risk
U.S. Card Issuer

Scoring and modeling attribute offerings

LexisNexis RiskView Solutions can be leveraged as easy to interpret credit risk scores or as modeling attributes to be used in internal models developed by your organization.

LexisNexis RiskView

Industry-specific scores for advanced risk assessment:

Using credit bureau based solutions alone limits the ability for lenders to make profitable lending decisions. The limitations and gaps in this single-source method allow profitable prospects to be rejected and lets higher risk prospects become customers without detection. By not leveraging additional solutions, lenders miss out on valuable swap-in and swap-out scenarios to capture more profitable customers and avoid higher-risk customers.

RiskView is available as a score that can be used in a decision matrix with other credit scores or as a sole credit decisioning tool. Specific models are available for multiple industries, including:

- Credit card issuers
- Auto lenders
- Retailers
- Telecommunication and utility providers
- Money service businesses
- Demand deposit account opening

LexisNexis® RiskView™ Attributes

Modeling attributes for internal risk assessment

For institutions that prefer to build their own credit decisioning models using anonymous data, RiskView Attributes offer an extensive library of non-traditional credit data variables on consumers, for use in internally developed models. These FCRA attributes have proven to be very predictive for lenders when running internal credit decisioning models and can be effectively leveraged in pre-screening, account origination and account management activities.

RiskView Attributes alternative data includes:

- Estimated income
- Education history
- Property AVM values
- Property ownership
- LexisNexis RiskView customer inquiries
- Bankruptcies, liens and judgments
- Criminal records
- And much more

“We have been testing alternative, non-bureau consumer data and scores for over 10 years. The RiskView Score, by far, added the largest incremental lift to our credit risk models that we have observed.”

– Credit Risk Manager
Leading Auto Lender

Examples of RiskView Attribute Groups

Attribute Group	Value in Credit Risk Management
Bankruptcies, liens, judgments and criminal records	High-risk behaviors associated with financial instability
Estimated annual income	Higher annual income indicates an ability to repay
Property, watercraft and aircraft ownership	Ownership provides evidence of assets and stability
Property AVM values	Value of the properties associated with a consumer are reflective of their financial stability and their ability to repay
Address stability	Higher move frequency associated with instability
Sub-prime credit offers requested	Indicates consumer is facing financial challenges
Sale purchase price index	Detects profitable and distressed property sales
Education history	College attendance, degree level pursued, field of study type and institution rating are highly predictive of earning levels
Professional licensures	Licensures are an indication of upward financial mobility
Customer Inquiries	Recent collections or personal finance inquiries are associated with higher risk

“We started using RiskView five years ago to boost market share by approving low-risk applicants with no or little credit history. Over the last few years we have begun overlaying RiskView in a dual-score strategy with our custom credit bureau score on thick-files. We have reduced our overall loss rates in our marginal approvals and identified new top-tier candidates using RiskView. RiskView is an integral part of our underwriting process today.”

– Credit Risk Manager
Top Card Lender

Lenders using RiskView receive an 8%–15% lift in predictive capability for consumers with full credit histories.

Improving lending decisions across many different industries

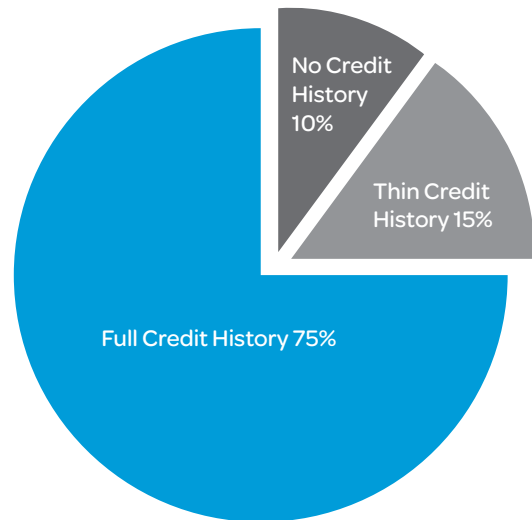
A thorough analysis shows that using RiskView can result in a measurable lift of up to 15% in predictive accuracy for consumers with full credit histories when combining RiskView with traditional credit data. Multiple industries have experienced a lift in predictive power by incorporating RiskView Scores and/or Attributes into their decisioning and account monitoring processes, including:

- Major banks
- Credit card lending
- Retail lending
- Auto lending
- Online lending
- Short-term lending
- Telecommunications and wireless providers
- Utility providers
- Demand deposit account opening

RiskView can also effectively evaluate the creditworthiness of over 40 million consumers with little or no credit history, creating vast new markets for lenders to effectively serve.

Expand customer opportunities—shrink risk probabilities

The advantages and applications of a holistic view of consumers are virtually limitless. From pre-screening to account origination to account management, RiskView Solutions can help you reduce risk and grow a healthy customer base by revealing predictive insights through every stage of the customer life cycle for consumers with extensive, little or no credit history.



Source: Nilson Report #868, November 2006.



Corporation for American Banking, L.L.C.
ABA's Subsidiary for Profitable Banking

RiskView is endorsed by the American Bankers Association through its affiliate the Corporation for American Banking.

For more information:

Call 877.719.8805 or visit

lexisnexis.com/risk/credit-risk-management

About LexisNexis Risk Solutions

LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader in providing essential information that helps customers across all industries and government predict, assess and manage risk. Combining cutting-edge technology, unique data and advanced scoring analytics, we provide products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of Reed Elsevier, a leading publisher and information provider that serves customers in more than 100 countries with more than 30,000 employees worldwide.



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