White Paper

Successfully Lend to the Underbanked Consumer

Balance growth opportunities with risk. Alternative data helps pinpoint profitable share of emerging markets.

February 2010

LexisNexis®

Risk Solutions

Seeking growth in consumer lending

The recent turmoil in the credit market challenges retail lenders to consider all viable avenues for profitable growth. As is the case in other competitive industries, the most valuable opportunities lie in the use of new technologies that provide incremental growth in existing markets while opening up new and alternative markets for growth.

In particular, the long-ignored underserved population is a very large untapped market that is garnering new attention from financial institutions and other lenders.

In this paper, underserved consumers are defined as adults who are unscored—and unscorable—by traditional credit bureaus using traditional credit scoring algorithms. This population is divided into two groups: those individuals for whom credit bureaus have no information at all (the 'No-File' segment of consumers) and those individuals for whom credit bureaus have some data, but not enough to generate an accurate bureau score (the 'Thin-File' segment of consumers). [Note that underserved does NOT equate to sub-prime risk levels.]

This paper addresses several critical questions for lenders seeking to understand, quantify and tap into the opportunity presented by the underserved population:

- Why should lenders consider the underserved market as a growth opportunity?
- Who are the No-File and Thin-File segments of the underserved population?
- How do Thin-File consumers and No-File consumers perform in terms of creditworthiness?
- What are the implications and opportunities for lenders, including financial institutions?

Why should lenders consider the underserved market as a growth opportunity?

For consumer lenders of all kinds—credit card, auto, retail, home equity and other loans—the underserved population is a largely unfamiliar, untapped and, according to conventional wisdom, a very high-risk market. Traditional credit scoring methods have simply left No-File and Thin-File consumers on the outside looking in. Without sufficient data to accurately assess risk for these individuals, lenders have had little choice but to focus resources elsewhere.

If lenders could accurately assess risk for the underserved population, it would bring millions of potential new creditworthy consumers into the marketplace. This document examines the underserved population, the potential opportunity it provides and new data that can be used to identify millions of creditworthy—but previously unscorable—consumers.

In recent years, however, the underserved market has received more attention from financial institutions as a potential source of profitable revenue and earnings growth. This attention is driven by four primary factors:

- **Traditional prime and super-prime markets are oversaturated**. As credit card and other credit markets have matured over the last 25 years, lenders have competed more aggressively for a finite pool of scored consumers, leaving limited room for growth. As evidence, the average credit card user carries about nine cards in his or her wallet. Nevertheless, each cardholder's household receives approximately 30 additional solicitations for credit cards annually.
- **The underserved population is very large, growing and untapped.** Approximately 25 percent of American adults—as many as 70 to 90 million individuals—lack sufficient credit information to generate a traditional credit bureau score. Rarely targeted for credit card or other lending, these consumers represent great potential for lenders who are able to serve them while managing the risk.
- **Many of the underserved are potential customers-for-life.** A significant segment of underserved individuals, such as students and immigrants, are actively seeking to build their credit profiles. If serviced with care, it is likely that these consumers will remain loyal to the issuer of their first credit product. This first-mover advantage suggests that proactive lenders could expand their customer base, increase loyalty through cross-selling opportunities and establish profitable long-term relationships.
- **Alternative data sources now exist to assess creditworthiness of the underserved.** The underserved have been excluded from the borrowing arena because they lack some or all of the specific data used by credit bureaus to score creditworthiness. However, simply lacking that data does not equate to an inability or unwillingness to repay debt obligations. In fact, many of these consumers may have sufficient income and other characteristics to be considered highly creditworthy. This lack of readily available predictive data is now being addressed through new data sources. Access to alternative data, a combination of public records and non-traditional consumer information, can be used to accurately predict creditworthiness and identify attractive underserved consumers.

Public records and non-traditional data on the U.S. consumer population have long been available; however, access has been cumbersome, expensive and fragmented. But its importance and value have not gone unnoticed. In fact, six of the top-ten bankcard issuers, three of the top four wireless providers and many other lenders are now using non-traditional credit scoring in their new account evaluation processes.

They are finding public records and other non-bureau data to be an effective tool for predicting future consumer behavior. However, the cost and difficulty of collecting and interpreting data from numerous sources for the purposes of determining creditworthiness has historically limited its use.

Six of the top-ten bankcard issuers, three of the top four wireless providers and many other lenders are now using non-traditional credit scoring in their new account evaluation processes.

LexisNexis® has worked diligently to address this issue, making alternative data centralized, accurate, easily available and cost-effective. LexisNexis has compiled, integrated, digitized, indexed and analyzed public records and non-traditional data from national, state and local data sources, both public and private. The result is a robust and predictive FCRA-compliant data repository and credit-scoring technology called LexisNexis® RiskView™.

The LexisNexis FCRA database integrates public record data and non-bureau personal information for No-File and Thin-File consumers, giving lenders a new view of the key characteristics and behaviors that predict creditworthiness for this growing market. Public record data includes derogatory history about consumers' economic behavior (i.e., bankruptcy, liens and judgments) and also captures important positive life events (professional and occupational licensure, real property deeds, aircraft and watercraft registrations) and evidence of life-stress (address instability, utility disconnects, felony convictions, evictions, foreclosures, etc.). LexisNexis Risk Solutions has assembled data for approximately 37 million No-File consumers and 35 million Thin-File consumers. Sufficient behavioral data is available to create a RiskView score for 24 million No-File consumers and 17 million Thin-File consumers.

The LexisNexis RiskView platform consolidates a wide variety of public and non-traditional data, providing lenders with insight into the creditworthiness of individuals considered unscorable by traditional credit bureaus.

Unique Behavioral Attributes Are Available to Segment No-File and Thin-File Consumers

Sample of Available Attributes

- Current address and dwelling type
- Date of last address change and distance moved in last address change
- Previous dwelling type
- Current phone number
- Phone disconnected at previous address
- Current phone listed in subject's name
- Historical address changes
- Current residence owned by subject
- Current/prior residence owned by family member
- Current/prior residence purchase date
- Current/prior residence purchase amount
- Current/prior residence tax assessed value
- Current/prior land use code
- Economic trajectory of last move
- Number of properties currently owned
- Total tax value of owned properties
- Number of properties purchased/sold ever
- Property purchase date, property sale date
- FCRA Wealth Indicator Score
- Market value of property owned

Unique Behavioral Attributes Are Available to Segment No-File and Thin-File Consumers

Derogatory Public Records

- **Criminal:** Number and date of felony convictions, arrest records or moving violations
- **Liens:** Number of unreleased lien records, date of last lien, number of liens filed and number of liens released
- **Bankruptcy:** Date of last bankruptcy filing, type of last bankruptcy filing, status of last bankruptcy and number of bankruptcy filings ever
- **Evictions:** Number of evictions/unlawful detainer records and dates of evictions/unlawful detainer recods
- **Phone & Utility:** Service connects and disconnects

Occupational & Business Records

- **Professional Licensure:** Number of current professional licenses, date of last professional license, type of professional license and expiration date of current professional license
- **Business Ownership:** Corporate filings, business owners and officers, people at work links

Transient Person Attributes

- Address stability and length of residence
- Dwelling type
- Inferred owned/rent
- Number of sources confirming identity and current address
- Driver's license and voter registration updated to current address

Moreover, the RiskView scores and attributes are all provided from an FCRA-compliant database and service platform by LexisNexis. These scores are designed to be used in a compliant manner by lenders, taking into account considerations such as Equal Credit Opportunity Act (ECOA) and Regulation B compliance, in addition to FCRA compliance.

Who are No-File and Thin-File consumers?

Far from homogeneous, the underserved population is diverse in demographics as well as behavior. These differences underscore the importance of ready access to accurate and current data. Lenders must be able to accurately associate consumers with their level of credit risk and manage that risk in line with the lender's risk strategy.

Public records and behavior characteristics of the underserved population are explored below.

Population

Demographically, the underserved population includes higher concentrations of immigrants, students and young adults, recently widowed or divorced individuals, and consumers operating in the cash economy than the U.S. population as a whole. Despite the diversity of this population, extensive data is available.

Geography

Geography is a key attribute that can guide creditors as they target strategic markets where underserved lending initiatives may be most productive. The underserved market is geographically diverse, with significant representation throughout all areas of the U.S.

As illustrated in the tables on the next page, the underserved population distribution is concentrated in several ways:

- The central U.S. has the highest representation of No-File consumers as a percentage of the state population. Nevada and California have the highest representation of Thin-File consumers as a percentage of the state population.[1]
- Most states with a higher No-File population tend to have a lower Thin-File population as a percentage of state population and vice versa.

States with Greatest Per Capita Underserved Populations

Rank	State	No-File as % of Total State Population	Rank	State	Thin-File as % of Total State Population
1	Missouri	19.2%	1	Nevada	16.6%
2	Wyoming	18.0%	2	California	15.7%
3	Colorado	17.5%	3	Georgia	15.5%
4	North Dakota	16.6%	4	Delaware	15.2%
5	Illinois	16.5%	5	Arizona	14.9%
6	Maine	16.4%	6	District of Columbia	14.5%
7	Minnesota	16.1%	7	Texas	14.3%
8	Mississippi	16.1%	8	Florida	14.2%
9	Michigan	16.0%	9	Maryland	14.2%
10	Tennessee	15.7%	10	North Carolina	13.9%

Based on data available to LexisNexis, it is evident from the table on the next page that the No-File and Thin-File populations are representative of their respective state proportions.

- In general, and in absolute numbers, states with higher populations have larger numbers of No-File and Thin-File consumers.

No-File and Thin-File consumers comprise a significant portion of total population in many states.

- The only exception is California, where there is a significantly different share of No-File and Thin-File consumers compared to the state contribution to the U.S. population overall. There is a larger share of No-File consumers relative to California's share of the U.S. population. However, California's share of Thin-Files is lower than expected considering the overall California population.

No-File and Thin-File Populations Relative to State Population in the U.S.

No-Files as a % of Total No-File for Top 10 States

Rank	State	No-File as a % of Total No-File Population	State Population as a % of Total U.S. Population
1	Texas	8.5%	7.6%
2	California	7.2%	10.9%
3	Florida	6.4%	6.4%
4	Illinois	5.1%	4.0%
5	New York	4.7%	5.7%
6	Michigan	4.0%	3.2%
7	Ohio	3.6%	3.6%
8	Missouri	2.9%	1.9%
9	Tennessee	2.4%	2.0%
10	North Carolina	2.4%	2.9%
	Other	52.7%	51.9%

Thin-Files as a % of Total Thin-File for Top 10 States

Rank	State	Thin-File as a % of Total Thin-File Population	State Population as a % of Total U.S. Population
1	California	12.4%	7.6%
2	Texas	7.2%	10.9%
3	Florida	6.5%	7.6%
4	New York	5.2%	5.7%
5	Illinois	3.4%	4.0%
6	Georgia	3.3%	2.9%
7	North Carolina	2.9%	2.9%
8	Pennsylvania	2.8%	3.6%
9	Michigan	2.7%	3.2%
10	Ohio	2.6%	3.6%
	Other	50.3%	49.3%

*Note: Consistent with Thin-Files as a percentage of total Thin-Files for top 10 states.

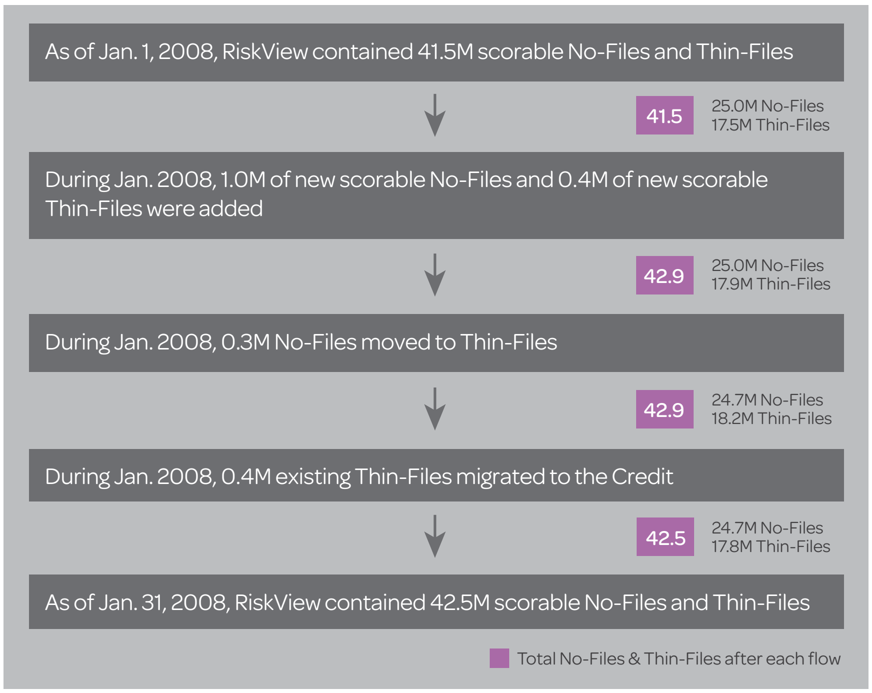
Fluidity

The underserved population is not only very large at 70+ million individuals, it is also fluid as it is continually being fed by new consumers. Consumers flow from one category to another as their circumstances and their credit behaviors change.

As illustrated in the charts on the following page:

- Approximately 12-15 percent of No-File consumers transition to Thin-File consumers each year, representing about four million consumers.
- Approximately 25 percent of Thin-File consumers transition to Thick-File consumers each year, representing five million consumers.

Monthly Flow of No-File and Thin-File Consumers

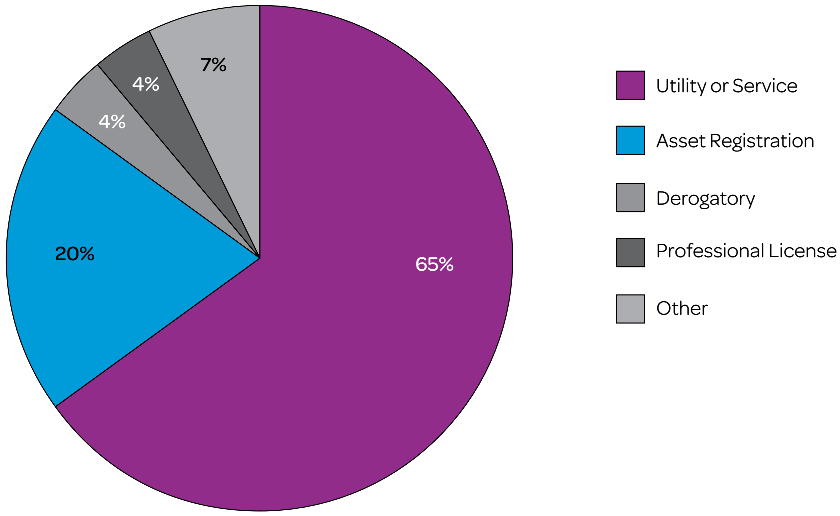


LexisNexis first learns about the existence of an adult credit No-File from a handful of primary sources. Eighty-five percent of the first appearances are from either a utility or service set up or an asset registration (e.g., motor vehicle, watercraft, real property, etc.).

On January 1, 2008, the LexisNexis FCRA database included 24 million scorable No-File consumers. By month end, 1 million more scorable No-File consumers entered the database, 265,000 No-File consumers moved to Thin-File status, and the No-File database totaled 24.7 million consumers.

Also, on January 1, 2008, the LexisNexis FCRA database included 17.5 million scorable Thin-File consumers. By month end, 702,000 more scorable Thin-File consumers were added, 407,000 moved to the Thick-File group, and the Thin-File FCRA database totaled 17.8 million consumers.

Entry Point for New Scorable No-File Consumers



Unlike credit bureau data, which is updated monthly by the lenders' billing cycle, public records data is dynamically updated as the result of significant behaviors or events in consumers' lifestyles. Recognizing that hundreds of thousands of individuals are moving from No-File to Thin-File and from Thin-File to Thick-File status each month, LexisNexis has assembled the most sophisticated network of public record data sources in the U.S. in order to maintain near real-time updates of significant consumer life events and behaviors. An individual's creditworthiness, bureau status and available personal data can change dramatically in a short time frame, and LexisNexis has the most comprehensive, timely and accurate visibility to public records data in the industry.

Timing is important in capturing the underserved opportunity. By identifying creditworthy Thin-File consumers before they reach Thick-File status, lenders can make targeted offers and potentially become the lender-of-choice early in the credit lifecycles of these consumers. Once consumers reach Thick-File status, the competition among lenders increases significantly.

Behavior

As one would expect, the behaviors of No-File, Thin-File and Thick-File consumers vary considerably. Many of these varying behaviors and characteristics, available through public records and non-traditional data and are predictive of creditworthiness. For instance:

- Criminal convictions, bankruptcy filings and liens can be helpful in predicting individuals' willingness to pay their debt obligations.
- Reviewing ownership status and value of assets such as real estate can help to determine individuals' ability to pay their bills.
- Analysis of phone listings, addresses, utility disconnects and professional licenses can provide insight into an individual's stability.

As illustrated on the following page, the likelihood of underserved customers defaulting on their debt obligations (the "bad rate") varies considerably based on the presence or absence of key variables, such as professional licenses or liens. For example, among the No-File population, consumers with no liens are nearly one-third as likely to default on debt obligations as consumers with unreleased liens.

Behavioral Characteristics of No-File and Thin-File Consumers			
No-File Behaviors			
	Description	Total	Bad Rate
Voter registration July 2005	Not registered Registered **Total**	46.8% 53.2% **100.0%**	8.0% 6.8% **7.4%**
Professional license July 2005	No professional license Licensed **Total**	95.7% 4.3% **100.0%**	7.5% 5.5% **7.4%**
Disconnected phone July 2005	Not disconnected Disconnected **Total**	98.1% 1.9% **100.0%**	7.3% 10.2% 7.4%
Felony convictions July 2005	No convictions Convicted **Total**	99.9% 0.1% **100.0%**	7.4% 29.5% **7.4%**
Bankruptcy July 2005	No bankruptcy Bankruptcy **Total**	99.8% 0.2% **100.0%**	7.4% 20.7% **7.4%**
Liens July 2005	No liens Old/released liens Unreleased liens **Total**	99.7% 0.2% 0.1% **100.0%**	7.4% 24.1% 26.8% **7.4%**

Asset Ownership: The ownership of homes, automobiles and other licensed assets adds to the predictive power of RiskView. This data is discerned primarily through public records.

Thin-File Behaviors			
	Description	Total	Bad Rate
Voter registration July 2005	Not registered Registered **Total**	77.8% 22.2% **100.0%**	9.5% 8.4% **9.2%**
Professional license July 2005	No professional license Licensed **Total**	98.6% 1.4% **100.0%**	9.3% 4.9% **9.2%**
Disconnected phone July 2005	Not disconnected Disconnected **Total**	96.9% 3.1% **100.0%**	9.2% 11.6% 9.2%
Felony convictions July 2005	No convictions Convicted **Total**	99.9% 0.1% **100.0%**	9.2% 27.7% **9.2%**

Certain characteristics can be strong predictors of an individual's likelihood to default. For example, renters of apartments are three to five times more likely to default than individuals who live in a family-owned home.

Thin-File Behaviors			
	Description	Total	Bad Rate
Bankruptcy July 2005	No bankruptcy Bankruptcy **Total**	99.4% 0.6% **100.0%**	9.2% 17.6% **9.2%**
Liens July 2005	No liens Old/released liens Unreleased liens **Total**	99.6% 0.2% 0.2% **100.0%**	9.2% 16.2% 23.4% **9.2%**

Asset Ownership Characteristics of No-File and Thin-File Consumers			
No-Files - Home Ownership			
	Description	Total	Bad Rate
Home ownership July 2005	Apartment renter Not owned of N/A Family owned Subject owned **Total**	8.4% 39.2% 40.6% 11.8% **100.0%**	13.0% 10.1% 4.6% 3.8% **7.4%**
Residence valuation July 2005	Unknown < $100,000 $100,000 - $200,000 $200,000 - $500,000 > $500,00 **Total**	50.4% 7.3% 16.0% 21.1% 5.2% **100.0%**	8.5% 13.0% 6.5% 4.7% 3.3% **7.4%**

Thin-Files - Home Ownership			
	Description	Total	Bad Rate
Home ownership July 2005	Apartment renter Not owned of N/A Family owned Subject owned **Total**	12.4% 39.9% 33.6% 14.0% **100.0%**	11.2% 11.8% 7.5% 4.3% **9.2%**
Residence valuation July 2005	Unknown < $100,000 $100,000 - $200,000 $200,000 - $500,000 > $500,00 **Total**	44.4% 6.3% 14.5% 15.8% 10.4% **100.0%**	9.7% 15.4% 9.2% 8.3% 6.1% **9.2%**

How do thin-file and no-file consumers perform in terms of creditworthiness?

Using extensive data from public and non-traditional sources, the LexisNexis FCRA data platform generates credit scores (called RiskView scores) analogous to those produced by the major credit bureaus. Because of the wide variety of data used, on a typical issuer with "through the door applications," Riskview is able to score 90 percent + of applicants that are No-File and Thin-File.

In order to demonstrate the credit prediction power of the RiskView score, LexisNexis conducted a two-year study of over one million No-Files and one million Thin-Files. RiskView scores were calculated based on all available LexisNexis public records data as of July 2005. These scored consumer records were then matched against credit bureau files in order to identify those individuals who opened a new credit trade line between July 2005 and December 2005. The credit performance of those new trades was then monitored through July 2007, and the results clearly showed the predictive power of public records data.

The following table shows the type of first trade opened by No-Files in the study. Over 30 percent of first trades opened were student loan trades, with retail trades second in frequency and bank revolving trades third. Account bad rates were read as of July 2007 after 18 to 24 months of aging. Bad is defined as every 90 days or worse delinquency. Bank, retail and finance trades had the highest bad rates—with double-digit account bad rates.

First Trade Types of No-File Consumers and Bad Rate by Type of First Trade

Trade Type	Percentage of All First Trades	Account Bad Rate
Auto	7.9%	6.4%
Bank installment	8.7%	3.5%
Bank revolving	21.2%	12.2%
Mortgage	3.8%	4.1%
Retail	25.8%	10.7%
Finance Co.	2.1%	10.2%
Student	30.5%	3.7%
Total	100.0%	7.6%

The tables on the following pages provide the results of this study for the No-File and the Thin-File study samples.

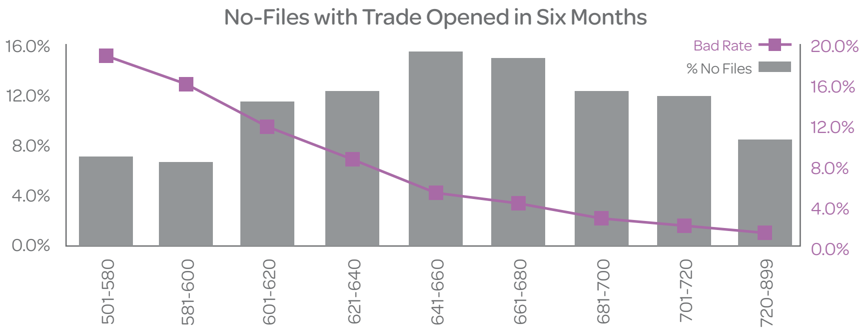
Overall, the results for both the No-File and the Thin-File samples demonstrate the predictability of the RiskView score, with credit performance strongly tied to the RiskView score. As predicted, the lowest scores (501-580) had by far the highest bad rate (18.9 percent for No-Files, 22.5 percent for Thin-Files) and the score rank orders well with the bad rate decreasing for each higher score range. RiskView scores above 660 performed much like creditworthy Thick-Files, with loss rates of just 4.8 percent for No-Files and 4.4 percent for Thin-Files. The overall Kolmogorav-Smirnov (K-S) value for the RiskView score (30.3 for No-Files) was comparable to that seen for traditional bureau models on Thick-Files. The K-S statistic summarizes the segmentation power of a score, where 100 indicates perfect prediction and 0 indicates no prediction. Typical bureau based models have K-S values in the range of 30 to 40.

It is important to remember that the population in the study is composed entirely of No-File and Thin-File consumers—that is, individuals who could not be rated by the bureaus. These are individuals routinely declined for credit; however, their credit performance demonstrates that those with positive public record characteristics are as creditworthy as prime consumers.

Specifically for the No-File sample, the average default rate for consumers with a RiskView score of 641 or higher was 6.7 percent, with about half of No-Files scoring that well.

Of more than 97,000 No-File consumers, 7.4% had a 90-day delinquency or charge-off. Those with the highest RiskView scores had the lowest bad rates.

Population Distribution and Bad Rates by RiskView Scores for No-File Consumers



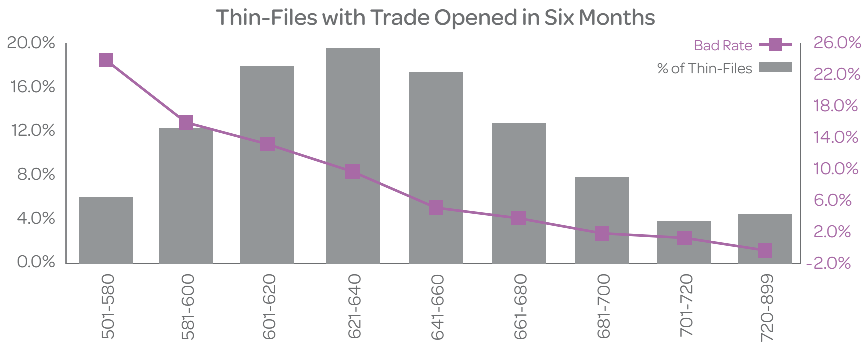
No-Files from June 2005 with Trade Opened in Six Months

RiskView Score	No-Files First Trade #	No-Files First Trade Cuml %	DLQ 90+ or Charge-off #	DLQ 90+ or Charge-off Rate	Cuml % Bad	K-S
501-580	6,799	7.0%	1,284	18.9%	17.8%	11.7
581-600	6,634	13.7%	1,081	16.3%	32.7%	20.5
601-620	10,838	24.8%	1,277	11.8%	50.4%	27.6
621-640	12,138	37.2%	1,079	8.9%	65.3%	30.3
641-660	14,871	52.4%	999	6.7%	79.1%	28.9
661-680	14,345	67.1%	684	4.8%	88.6%	23.2
681-700	12,145	79.5%	432	3.6%	94.6%	16.3
701-720	11,553	91.4%	279	2.4%	98.4%	7.6
721-899	8,454	100.0%	114	1.3%	100.0%	0.0
Total	97,777		7,229	7.4%	Max K-S	30.3

Similarly, for the Thin-File sample, the average default rate for individuals with a RiskView score of 641 or higher was 6.5 percent, with about 30 percent of the Thin-Files scoring that well.

Of more than 102,000 Thin-File consumers, 9.2% had a 90-day delinquency or charge-off. Those with the highest RiskView scores and the lowest bad rates.

Population Distribution and Bad Rates by RiskView Scores for No-File Consumers



Thin-Files from June 2005 with Trade Opened in Six Months

RiskView Score	Thin-Files First Trade #	Thin-Files First Trade Cuml %	DLQ 90+ or Charge-off #	DLQ 90+ or Charge-off Rate	Cuml % Bad	K-S
501-580	6,774	6.6%	1,525	22.5%	16.2%	10.5
581-600	12,314	18.7%	1,910	15.5%	36.5%	19.6
601-620	17,866	36.2%	2,224	12.5%	60.1%	26.3
621-640	19,508	55.3%	1,719	8.8%	78.3%	25.4
641-660	17,351	72.3%	1,127	6.5%	90.3%	19.8
661-680	12,905	85.0%	573	4.4%	96.4%	12.6
681-700	7,794	92.6%	239	3.1%	98.9%	7.0
701-720	3,428	96.0%	67	2.0%	99.6%	4.0
721-899	4,107	100.0%	34	0.8%	100.0%	0.0
Total	102,047		9,418	9.2%	Max K-S	26.3

An interesting finding in this study is that the RiskView scores are more predictive for No-Files than they are for Thin-Files. The overall K-S of No-Files was higher (30.3 vs. 26.3), and the proportion of No-Files with enough behavioral data to calculate a score was also higher (about 68 percent) as compared to Thin-Files (about 50 percent scorable). There are a number of underlying reasons for this effect, mostly related to the No-Files having more public records data (both positive and negative), while the Thin-Files appeared to be younger (mostly 18–23) with less history on file.

The bottom line of this analysis is that the No-File and Thin-File populations represent a significant opportunity. The LexisNexis database yields an impressive untapped market with a significant portion of No-Files and Thin-Files with loss rates of 6 percent or less. From the analysis in the following table, it is evident that close to 50 percent of No-File accounts have a loss rate of 6 percent or less, while 30 percent of Thin-File accounts have a loss rate of 6 percent or less. Interestingly, there is a higher percentage of No-Files that fall below the 6 percent loss rate compared to Thin-Files, which signifies that overall No-Files tend to perform better than Thin-Files.

What are the implications and opportunities for lenders?

Given the growth challenges faced by today's financial institutions, this identifiable population of underserved and creditworthy consumers should be considered a rare and valuable untapped opportunity. The ability to accurately score No-File and Thin-File consumers means:

- Lenders no longer need to view the underserved population as a single, homogenous and unattractive mass. It is a diverse population that can be systematically analyzed and scored using behavioral data that is not available from the credit bureaus.
- RiskView scores can rank the population by creditworthiness in the same way that traditional credit bureau scores have done for decades.
- Consumers who have historically been ignored are now identifiable as creditworthy—innovative banks, finance companies, telecommunications firms and others have the opportunity to market to new and profitable market segments.
- Capturing even a small proportion of this identified market would constitute significant growth for any organization, especially in a lending market that has become quite saturated.

By taking advantage of our easily accessible, integrated sources of alternative data, from address stability and home ownership to professional licenses and felony convictions, lenders can tap into a large and potentially lucrative market at acceptable risk levels. The payback will be greatest for those companies that proactively develop new value propositions suited to the specific unmet needs of the underserved population, while carefully managing the associated risk.

Sources

[1] Population density data on No-File and Thin-File consumers is available through LexisNexis, searchable by Core Based Statistical Area (CBSA).

For more information:

Call 866.858.7246 or visit
lexisnexis.com/risk/credit-risk-management

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