Enhance account management for your credit portfolio

Better spot hidden risk and opportunity across your customer accounts

Your customers' financial situations are constantly changing — especially now. From job changes, to inflation, to student loan payments, delinquencies and other financial impacts, your customers continuously face new challenges that impact their wallets.

That's why credit risk managers and lenders need to be even more proactive with account management.

We provide consumer financial data and tools — well beyond credit scores — to enhance your account reviews and help you identify both hidden risk and opportunity across your customer accounts. Plus, with frequent reviews and timely notifications, we can help you proactively recognize changes in customers' credit, inquiries and usage. At the same time, fraud is a bigger concern than ever before — and we offer solutions to help you spot fraudulent accounts and minimize losses.

Spot troubled accounts and fraud early. Better assess account health.

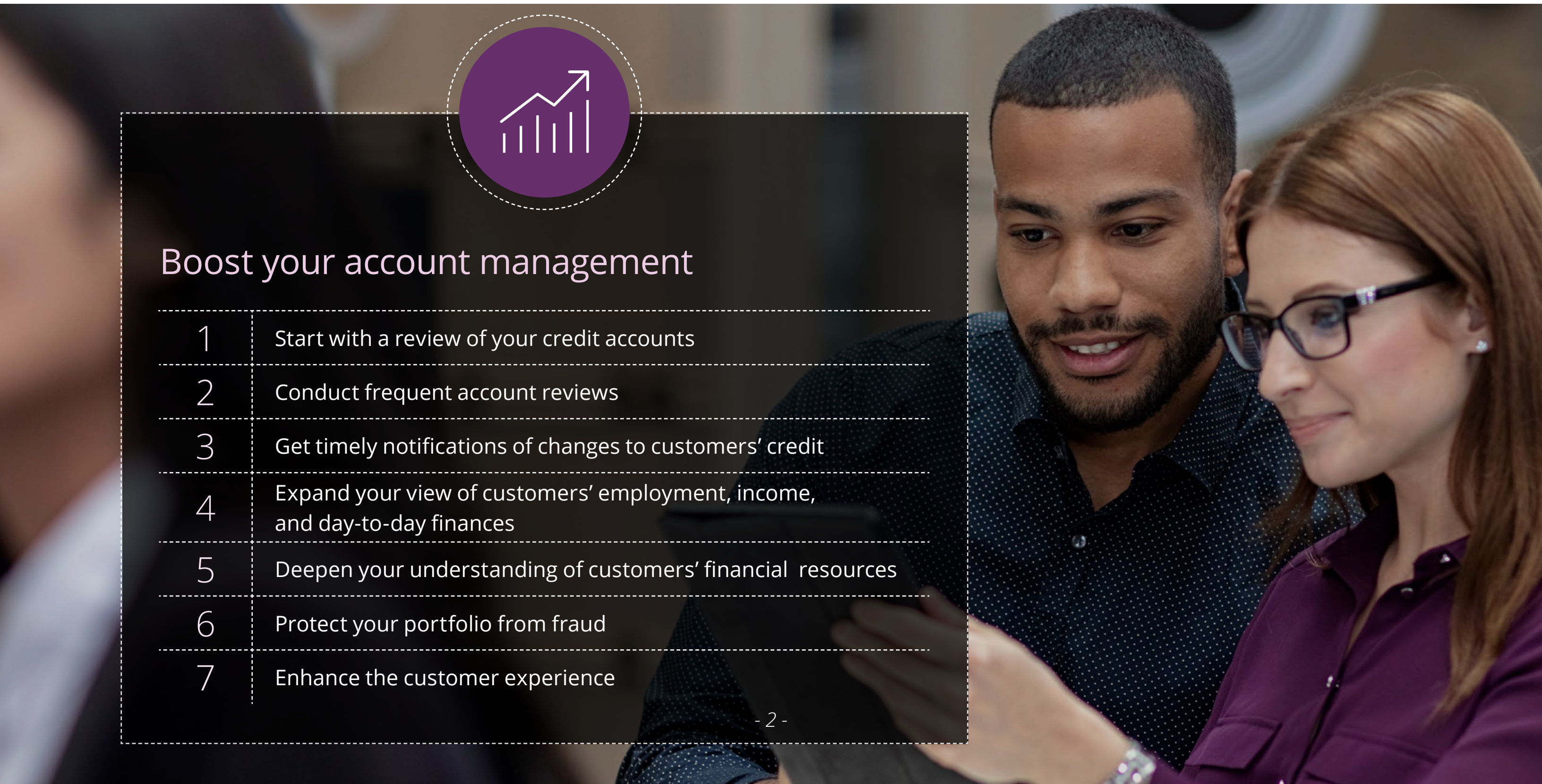
Key benefits of portfolio reviews

Monitor account risk and find opportunity

- Identify troubled accounts at risk of delinquency or default
- Monitor changes in credit
- Inform line management and credit line changes
- Contain costs for collections and recovery

Manage portfolio risk

- Assess risk at portfolio level
- Determine funding for debt reserves
- Strengthen compliance and fraud reviews
- Assess risk of portfolios for purchase or sale



Boost your account management

1	Start with a review of your credit accounts
2	Conduct frequent account reviews
3	Get timely notifications of changes to customers' credit
4	Expand your view of customers' employment, income, and day-to-day finances
5	Deepen your understanding of customers' financial resources
6	Protect your portfolio from fraud
7	Enhance the customer experience

1 Review your accounts with consumer credit attributes

Whether you need to assess the risk of existing accounts or find opportunities to grow revenue within your existing portfolio, analyzing deep insights about the credit behaviors of your customer base is a great place to start.

By understanding the credit attributes of your accounts, you can better identify which are performing well and which may be at risk of delinquencies and defaults. Credit data gives you the foundation you need to enhance the management of your portfolio, mitigate losses, and deepen customer relationships.

Our credit-based portfolio review solutions include both configurable and pre-configured options to help you make more informed account management decisions.

The predictive power of our newest credit attributes provides on average a 15% lift — and up to a 94% increase — in performance over our legacy attributes.

— Equifax analysis

Leverage thousands of credit attributes to assess risk and opportunity

Explore market-driven attributes

- Inflation and rising interest rates
- Student loan deferment
- Early payment default
- Ability-to-pay
- Accommodation

Understand trended credit behaviors

- Activation and periodic spending
- Payment behavior and debt reduction
- Transactor-Revolver
- Trended

Evaluate loan product-specific attributes

- Credit card
- Unsecured lending
- Communications and digital media

2 Establish the right review frequency

Should you be doing account reviews more frequently?
With so much uncertainty facing consumers right now, annual or quarterly reviews may not be sufficient to effectively manage risk. A customer's financial situation can change rapidly, and frequent reviews can help you take action faster to prevent losses.

Shifting from annual to quarterly reviews can help lenders increase the amount of exposed dollar risk they can save by 3.5 times. Shifting from annual to monthly can help lenders save 6x more.*

*Equifax analysis. Based on lender taking action immediately after recognizing delinquency at a different lender.

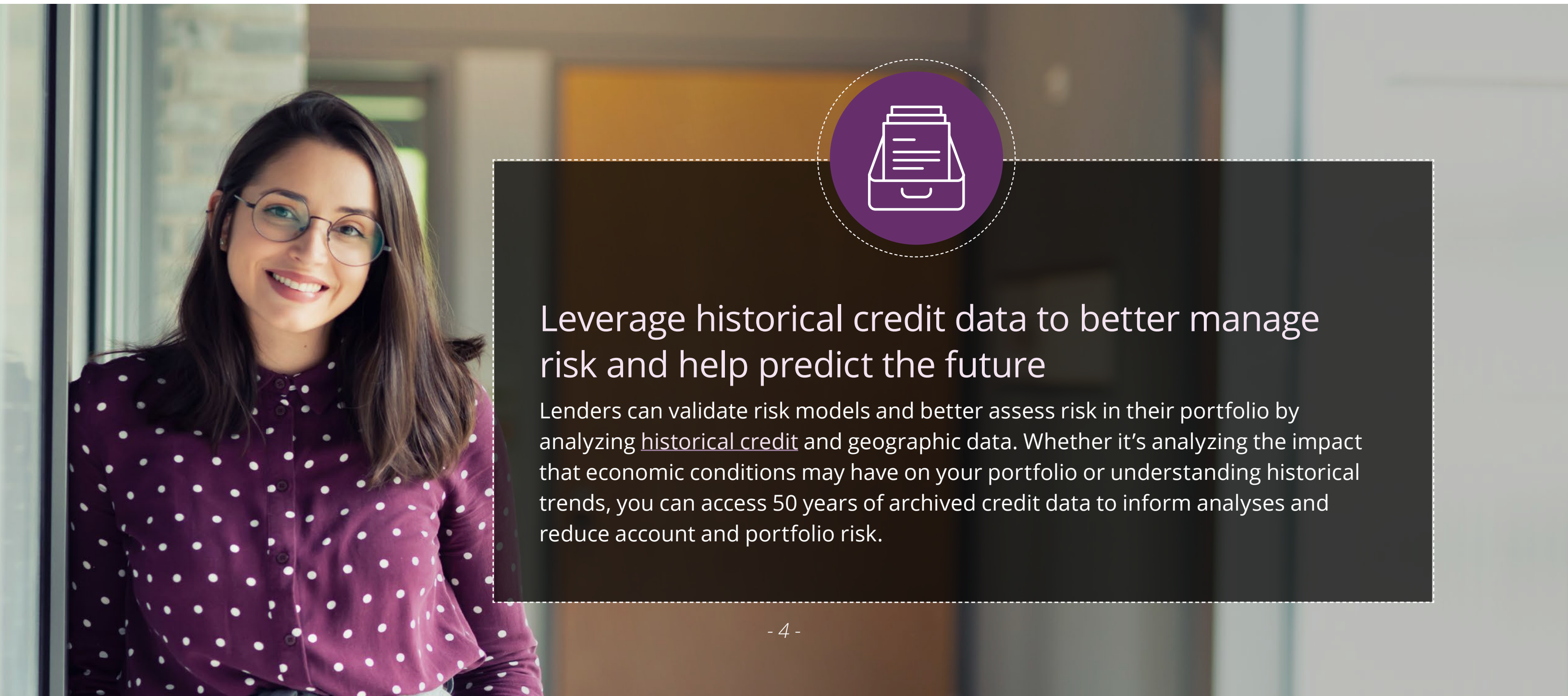
3 Get notifications — and respond fast — to changes in consumer credit

Consumers' financial situations change from day to day, so to stay more informed, lenders can be notified of changes to consumers' credit daily, weekly, or monthly. With these notifications, lenders can act fast to mitigate potential losses, spot customers with near-term risk of default or late payment, and protect market share.

> Using insight into changes 'off-you' to identify early risk and retention can increase cost savings by between 40%-50% on newly identified dollars at risk.
>
> — Equifax analysis.

Sample notifications to help lenders respond fast

Indicator	Possible lender action
Existing customer is 60+ delinquent on auto tradeline at other firm	**Place** customer on watch list
Existing customer shifts to 75%-99% utilization on bankcard at other firm	**Ensure** no additional credit is extended
Existing mortgage customer opens new auto loan at other firm	**Evaluate** debt reserve and assess if income meets necessary mortgage payment requirements
Existing customer is in collections at other firm	**Assess** payment history of current trades and watch for delinquencies



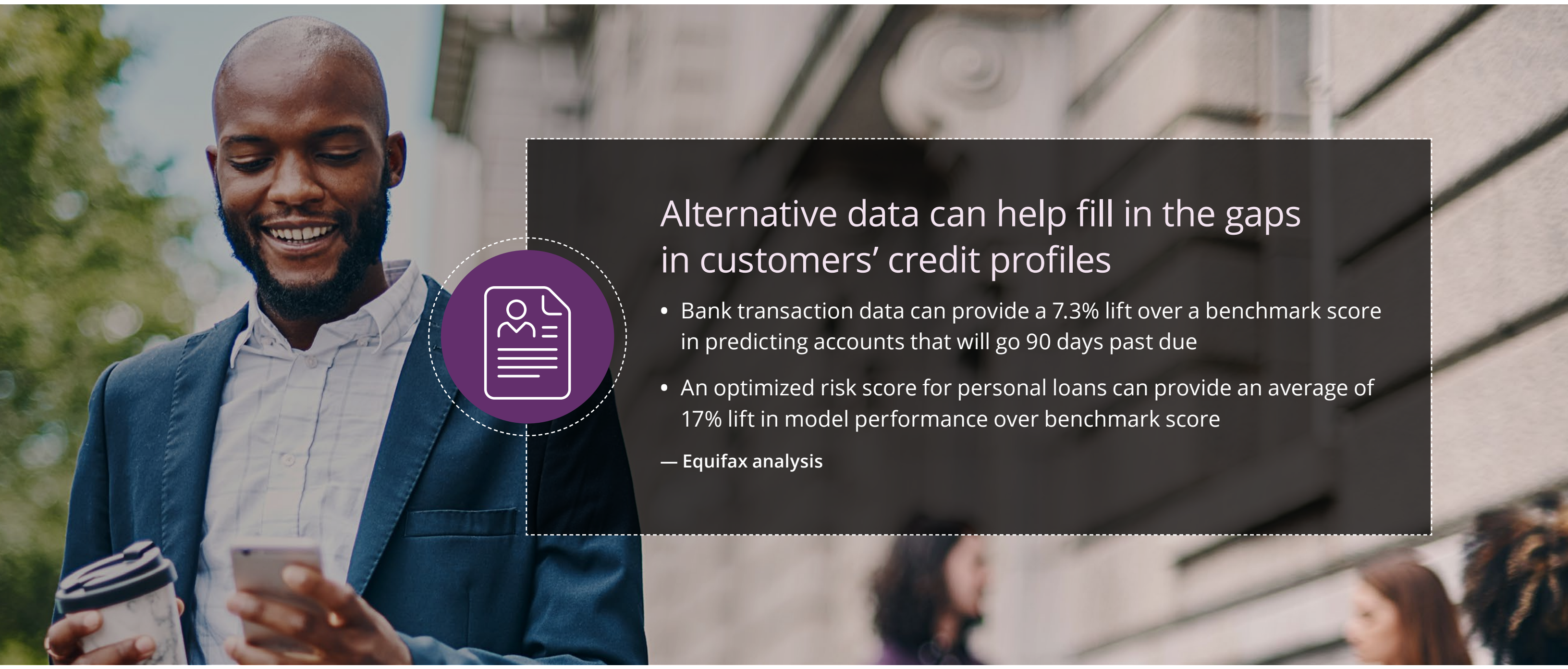
Leverage historical credit data to better manage risk and help predict the future

Lenders can validate risk models and better assess risk in their portfolio by analyzing historical credit and geographic data. Whether it's analyzing the impact that economic conditions may have on your portfolio or understanding historical trends, you can access 50 years of archived credit data to inform analyses and reduce account and portfolio risk.

4 Add insight on your customers' employment, income, and day-to-day finances

While credit scores remain a strong indicator of financial reliability, they don't tell the whole story.

That's why lenders incorporate alternative consumer financial data into their account reviews. Alternative data offers insight into consumers' finances — such as income and bill pay behaviors — that are not captured by traditional credit scores.



Alternative data can help fill in the gaps in customers' credit profiles

- Bank transaction data can provide a 7.3% lift over a benchmark score in predicting accounts that will go 90 days past due
- An optimized risk score for personal loans can provide an average of 17% lift in model performance over benchmark score

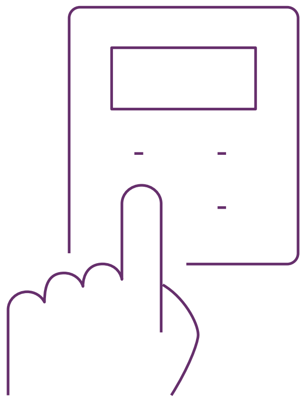
— **Equifax analysis**

Use alternative data for a more up-to-date view of customers' finances

Assess employment and income status	Discover payment behaviors for day-to-day expenses	Gain insight on users of specialty finance	Add consumer-permissioned data to expand customer profiles	Enhance reviews with optimized risk scores
• Employer-reported income and employment data • Payment-to-income ratios	• Telecom and utility payment history	• Attributes for pay-day loans, subprime credit cards, and installment loans	• Bank transaction data • Utility and telecom statement and payment data	• Credit card • Auto • Personal loan • Insurance

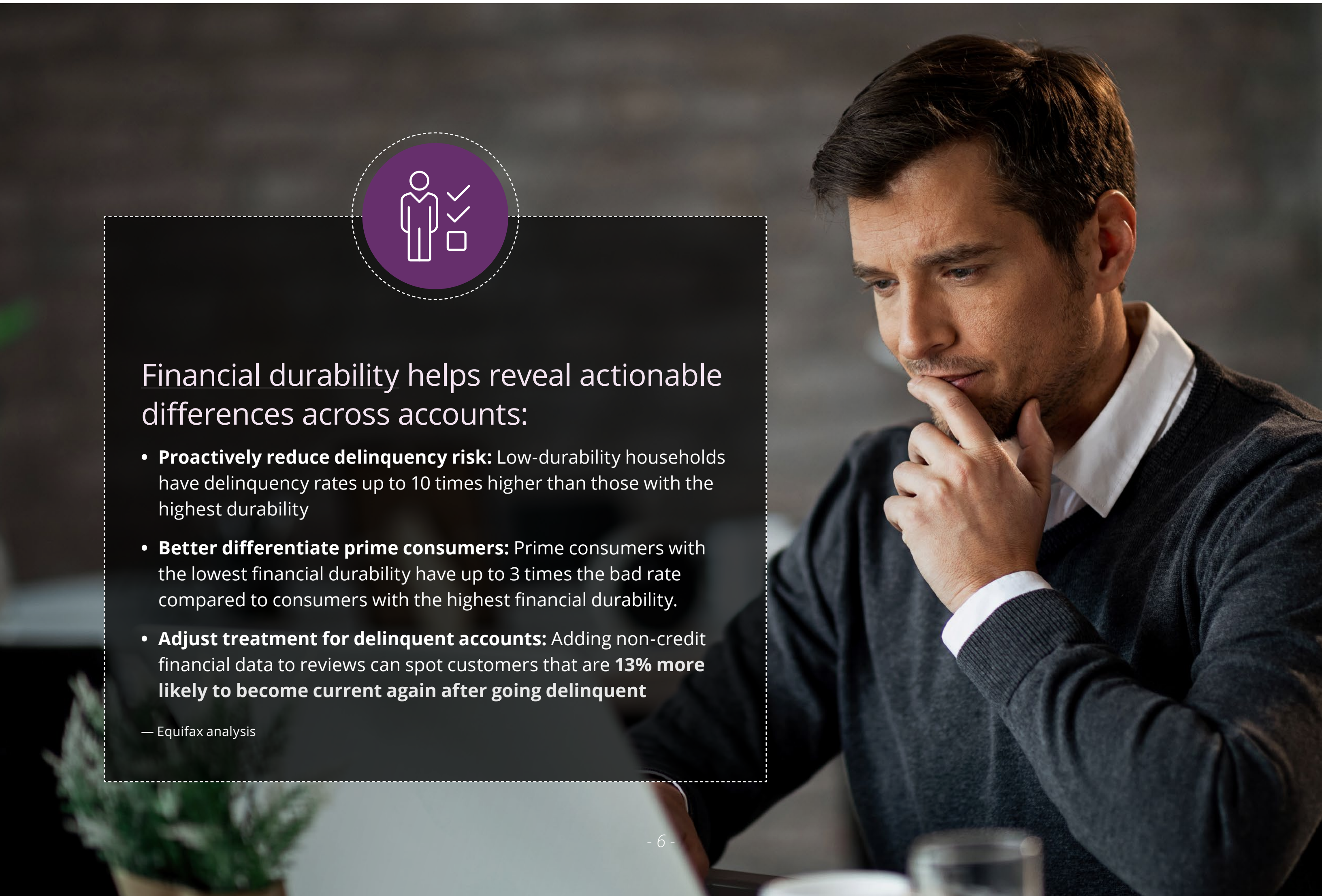
5 Assess customers’ financial resources

To complement traditional credit-based reviews and alternative data, lenders can incorporate data that sheds light on **consumers’ financial durability — namely, their financial resources and resilience to meet credit obligations.** These non-FCRA measures offer estimates of households’ wealth and inflows — including resources that can be used to meet credit commitments. Financial durability analysis can help lenders differentiate accounts within the same credit score band and better gauge the financial health of their customers, especially during times of economic stress.



Financial durability measures† can be especially helpful to:

- Prioritize high-durability accounts for potential credit line increases and focused retention
- Identify low-durability accounts for pre-delinquency and collections treatment strategies



Financial durability helps reveal actionable differences across accounts:

- **Proactively reduce delinquency risk:** Low-durability households have delinquency rates up to 10 times higher than those with the highest durability
- **Better differentiate prime consumers:** Prime consumers with the lowest financial durability have up to 3 times the bad rate compared to consumers with the highest financial durability.
- **Adjust treatment for delinquent accounts:** Adding non-credit financial data to reviews can spot customers that are **13% more likely to become current again after going delinquent**

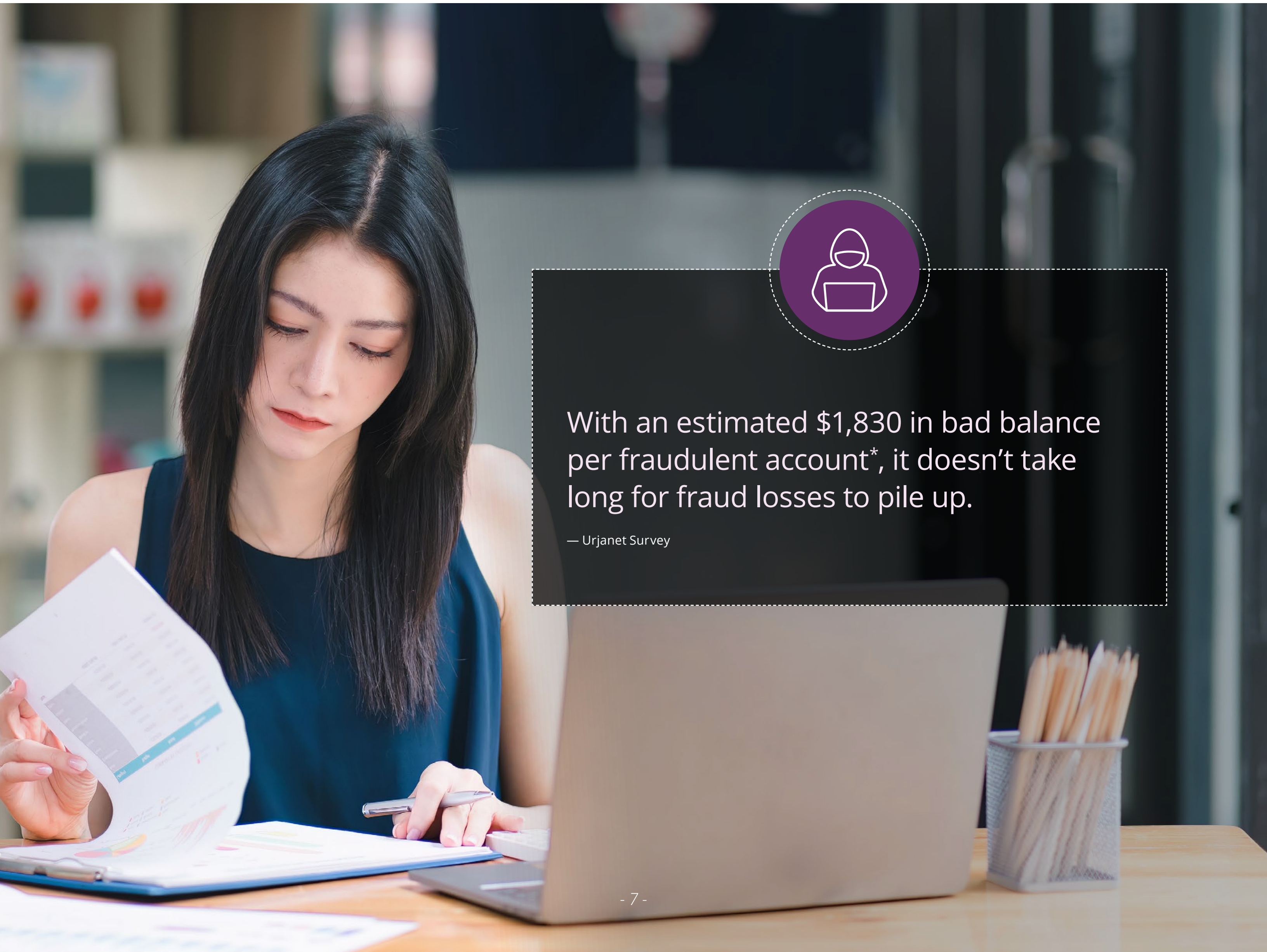
— Equifax analysis

6 Protect your portfolio from fraud

Synthetic identity is a growing problem for many lenders. To limit losses, incorporate alerts to continuously recognize accounts likely opened using synthetic identities.

- Leverage patent-pending machine learning algorithms to detect synthetic identity behaviors and patterns
- Implement batch or real-time
- Properly classify credit loss vs. operational loss

To limit losses, incorporate alerts to quickly recognize synthetic identities.



With an estimated $1,830 in bad balance per fraudulent account*, it doesn't take long for fraud losses to pile up.

— Urjanet Survey

7 Enhance the customer experience and find new pockets of opportunity

Delivering an optimal experience is key to deepening the relationship with your best customers. In fact, over 80% of customers agree the experience a company provides is as important as its products and services.*

Use financial durability insights to identify appropriate households for:

- Product activation and usage campaigns
- Credit line increases
- Balance transfer
- Debt consolidation

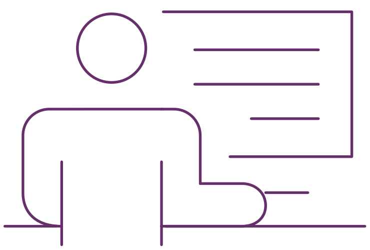
Consumers' financial situations change from day to day, so to stay more informed,

*Salesforce State of Marketing, 2021

Did you know...

Among consumers with a modest 580 credit score, 10% have estimated total household income over $178,000. This might be an ideal audience for differentiated treatment.

— Equifax analysis



Deepen engagement

Further enhance the customer experience with personalized messages, new channels, and benefits

Enhance customer records: Build stronger identity graphs to support CRM

Engage customers in their inbox: Append email addresses for retention, or account management.

Tailor your messages: Use financial insights to personalize message and creative for retention efforts.

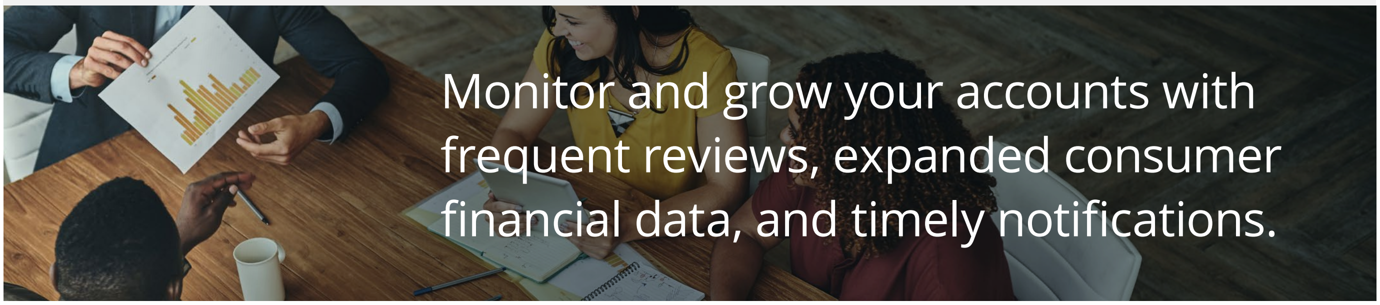
Expand the relationship: Identify best customers for new Prescreen offers

Connect with audiences online: Onboard customer segments to deliver messages via display, mobile, social, addressable TV, and more.

Offer benefits: Build loyalty with financial wellness tools.

Why lenders work with Equifax to enhance account management

- Specialty in alternative data beyond credit: day-to-day financial payment behaviors, employment and income, financial durability and capacity insights
- Daily notifications of changes in consumers' financial situation
- Unified, cloud-based analytical environment to explore historical data, test new datasets, and advance account review analytics
- Complementary acquisition, customer engagement, and fraud solutions



Complementary solutions

Acquisition and customer engagement

Finding and engaging the right customers requires powerful insights. With our acquisition and customer engagement solutions, marketers and lenders can more confidently:

- Gain insight into the consumer wallet with wealth, economic, and credit insights
- Identify and reach attractive new credit audiences
- Expand credit acquisition audiences with the addition of alternative data and financial durability measures
- Find the hidden potential in their customer base
- Enhance customer engagement with relevant real-time offers delivered through digital channels
- Boost the customer experience through appropriate offers delivered at just the right time and prioritize best customers for premium treatment

Identity, fraud, and compliance

Fraud is a huge challenge for many companies, especially as digital interactions are now the norm. To help prevent fraud, explore our digital, real-time solutions to:

- Simplify and secure the application process
- Improve authentication and compliance checks
- Verify identities
- Review portfolios for synthetic and other types of fraudulent accounts
- Support anti-money laundering (AML) and know your customer (KYC) efforts

Contact us to enhance your account management.

USISmarketing@equifax.com • equifax.com/business

*Results for scenarios may vary based on actual data and situation.

†Financial durability measures are non-FCRA and are not intended to be used for the extension of credit to any individual, nor may they be used for purposes of determining an individual's creditworthiness or for any other purpose contemplated under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.