

Scorex PLUSSM

Predict. Leverage. Understand. Strategize

Developed by the leader in innovative scoring technology, Scorex PLUSSM utilizes groundbreaking predictive techniques to outperform traditional bureau risk models. Scorex PLUS optimizes risk management decisions during acquisition and throughout the customer lifecycle.

A market-leading innovation

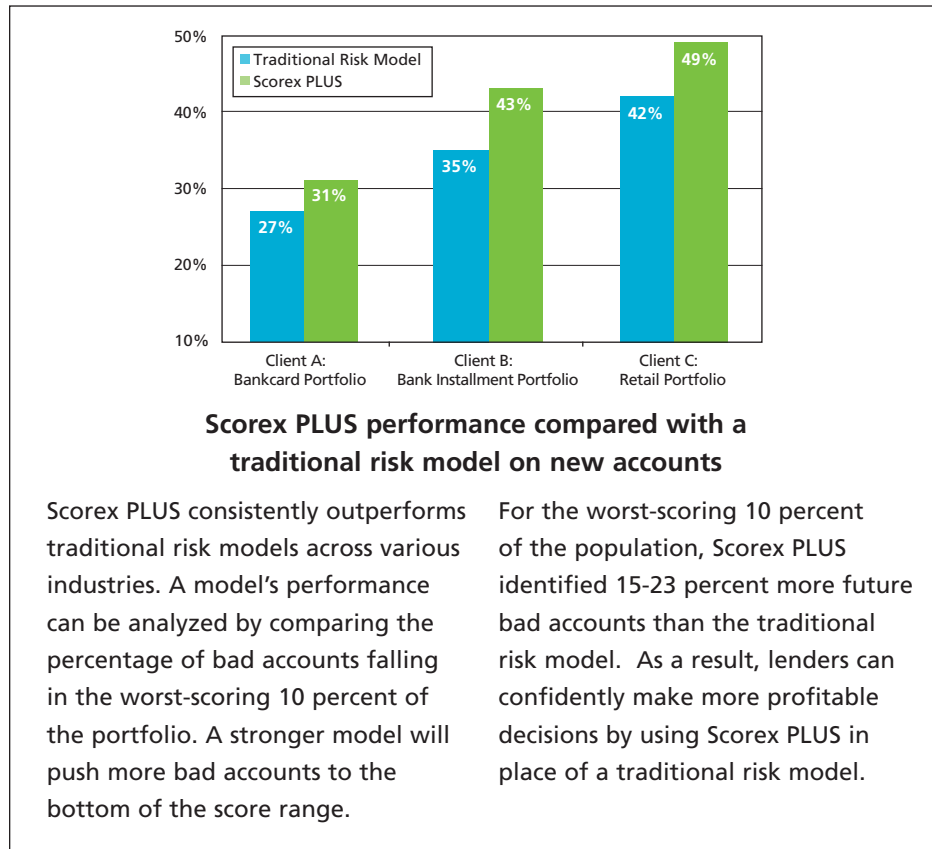
Until now, you've had two scoring alternatives for managing risk. Use a traditional bureau risk model that falls short in predictability or invest in a more predictive, but much more costly custom model.

To provide a superior, more cost-effective solution, Experian-Scorex created Scorex PLUS using a

revolutionary new development technique that mimics custom model development. Scorex PLUS provides a suite of two powerful models — one for new accounts and one for existing accounts. This unique solution optimizes acquisition decisions by eliminating the bias toward existing accounts inherent in traditional bureau risk models.



Scorex PLUS



The result?

Superior risk prediction

In multiple market validations with traditional bureau risk models, Scorex PLUS demonstrated superior performance in over 90 percent of the head-to-head comparisons. On new account portfolios, Scorex PLUS did even better, outperforming traditional risk scores 95 percent of the time! The results of these validations demonstrated that Scorex PLUS:

- Provided a stronger separation of good and bad accounts
- Classified more bad accounts into the worst-scoring ranges

More scored accounts

Traditional risk models typically are unable to score a significant percentage of consumers due to insufficient credit information. With Scorex PLUS, almost all consumers can be effectively scored to rank order risk, thereby reducing the need for manual review.

Greater profit potential with one cutting edge tool

Scorex PLUS can help you implement successful strategies for attracting, retaining and managing customers:

- Target the right customers for pre-approved offers
- Improve new account approval rates while decreasing or maintaining bad rates
- Better manage existing customers for line increases and collections priority
- Customize product offerings according to risk

How did we do it?

Eliminating bias to improve performance

Traditional bureau risk scores pool new account data and existing account data into one model. Because new accounts typically represent only 10 percent of the model's development population, there is a bias toward existing accounts. The result is sub-par performance to support your most important decision — acquiring the right accounts at the right price.

Scorex PLUS solves this inherent problem by segmenting accounts into new versus existing accounts and creating one model for each. This innovative tool uses the latest technology and model development techniques to optimize the power of Experian's rich data resources. It ensures the best business decisions at both the front and back end to maximize portfolio profitability.

Advanced scorecard segmentation

While other risk models are segmented using traditional methods, Scorex PLUS incorporates a "preliminary" risk score prior to calculating the overall risk score. The preliminary risk score creates segments based on a consumer's risk grade and indicates which of the multiple scorecards is most predictive for a specific consumer. This provides significant lift while minimizing the number of scorecards used.

Scorex PLUS overview

- Offers a suite of two unique scores: new accounts vs. existing accounts
- Predicts the likelihood of future serious delinquencies (90 days late or greater) on any type of account
- Provides a score range of 300-900 (high score = low risk)
- Includes up to four score factor codes

Scorex PLUS features

Enhanced documentation

By providing a greater level of detail, Scorex PLUS helps you make better decisions at every stage of the customer lifecycle. Unlike traditional risk models, Scorex PLUS provides:

- Enhanced multi-wave forecasts for 6, 12, 18 and 24-month timeframes, enabling you to see how consumer behavior changes over time. The timing of a loss can be just as important as the loss itself.
- Dollar loss rates that show the percentage of dollars one may expect to lose in specific score ranges.

Custom scalability for easier adoption

The transition to a new bureau score is a sizable task. Scorex PLUS offers optional custom scalability that gives the score the same look and feel as your existing scoring tools. This minimizes complications and costs associated with changing existing strategies and training employees.

Tri-bureau application

While Scorex PLUS was developed using rich Experian data, Experian-Scorex has invested significant research to level its proprietary set of attributes across the three credit reporting agencies. As a result, the predictive capabilities of Scorex PLUS can be applied to data from the other credit reporting agencies. This streamlined development reduces the occurrence of score variation among the three credit reporting agencies since score differences are driven by differences in data, not differences in the scoring algorithms.

Acceptance by regulators

Throughout the development process, Experian-Scorex has been actively working with federal regulatory and public rating agencies to ensure acceptance for the use of Scorex PLUS as it relates to regulatory compliance and secondary markets.

Expert consulting services

Experian-Scorex offers consulting and ongoing score monitoring services to maximize the benefits that can be attained through the use of this powerful new scoring tool. These services include options such as:

- Understanding the transition to a new bureau score
- Initial and on-going score validations (retrospective analysis)
- Creation of a risk-based pricing program
- Development of credit policies
- Implementation of a credit line increase program to identify the best candidates for line increases
- Portfolio review analysis: score distributions with loss rates, industry benchmarking, loss forecasting, and strategy consulting
- Collections process analysis: review of process and workflow, tools and resources, policies and procedures, strategy actions, and overall goals

No other bureau scoring tool is more effective

Scorex PLUS outperforms traditional risk models by more accurately classifying risk. It raises the bar on providing the best information for making profitable business decisions.