

# Clear Credit Risk Score™ 2.0

Empowering lenders to make more informed decisions with unrivaled data

Macroeconomic uncertainty is driving alternative financial services (AFS) lenders to optimize growth strategies as they face the converging issues of inflation and fluctuating markets. Clear Credit Risk Score™ 2.0 — the future of credit risk assessment — can alleviate this uncertainty to promote better decisioning, drive growth, and help build your business.

## Leverage insights to drive sustainable growth today

Achieving growth targets is a challenge amidst a rise in delinquency and a decline in loan originations. As of February 2023, over 18% of open loans were delinquent. Loan originations have also declined 20% year-over-year (YOY) from January 2022 to January 2023. Despite these trends, lenders are continuously looking for sustainable growth. As a result, Experian Clarity Services now offers Clear Credit Risk Score™ 2.0, a cutting-edge credit risk assessment solution that empowers lenders to make more informed decisions which drive business growth.

## Comprehensive view of Clear Credit Risk Score™ 2.0

**Innovative analytics model:** Predicts the likelihood of 60+ days past due on a new trade over the first six months for the following loan types: installment, line of credit, single pay, title, rent-to-own and/or lease-to-own.

**Flexible use cases:** The model was developed to effectively predict diverse outcomes such as first payment defaults, 30 days past due, 60 days past due, and charge-off or collection behaviors to support a variety of use cases for lenders in the AFS market.

**Machine-learning-enhanced analytics:** Uses machine learning for model development to optimize score performance and partnership with Ascend Ops™ for best-in-class delivery.

### Unrivaled, FCRA-compliant data:

- **Unique, expanded data:** Drive performance with quality, depth and range of traditional and alternative credit data
- **Trended data:** Uses behavior changes in attributes most applicable to the alternative finance industry (e.g., borrowing and payment patterns) to aid predictions
- **Refreshed data set:** Considers the latest post-pandemic credit products and trends in consumer behavior

## Empowering lenders with confidence

Clear Credit Risk Score™ 2.0 empowers AFS lenders with innovative, machine learning-enhanced analytics, and unrivaled FCRA-compliant data. This includes unique expanded data, trended data, and refreshed data.

This innovative credit risk assessment solution provides enhanced predictiveness, ease of use, and unique features that distinctly set it apart from other scoring solutions available in the market.



Unrivaled data

+



Enhanced predictiveness

+



Seamless delivery

## Clear Credit Risk Score™ 2.0

### Underwrite loans with confidence

Clear Credit Risk Score™ 2.0 enables lenders to gain a deeper understanding of delinquency risk associated with consumers. By using this solution, lenders can authorize additional loans with confidence resulting in precise underwriting that will uphold portfolio strategy and enhance profitability.

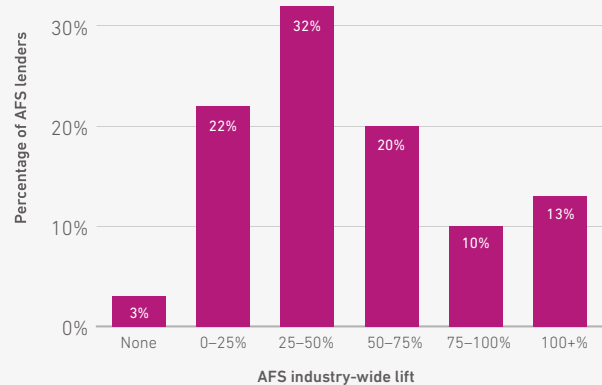
So, how effective is the new score? Client validations indicate that most lenders should expect a lift using Clear Credit Risk Score™ 2.0. In fact, the median lift for lenders (as measured by improvement in KS) with Clear Credit Risk Score™ 2.0 is an impressive 45% compared to Clear Credit Risk Score™ 1.0.

Experience transformative growth with Clear Credit Risk Score™ 2.0, an unrivaled solution designed to fuel expansion while meticulously evaluating risk factors at every step.

For more information about Clear Credit Risk Score™ 2.0, contact your Experian Clarity account executive or call 855 339 3990.

### 2022 Clear Credit Risk Score™ 2.0 validation study

#### Lift distribution observed in 2022 score validation study



There is a 45% median percent lift of Clear Credit Risk Score™ 2.0 over 1.0

Results may vary, please contact us for more details.