

# HOW TO ENABLE TRANSITION TO TRENDED CREDIT DATA

**CreditVision® risk scores—the latest advancement in risk scoring—allow lenders to confidently grow portfolios. Lenders who adopt risk scores powered by trended credit data benefit from unique insights that add clarity and precision to lending decisions. Take action today to leverage the highly predictive power of trended credit data available in CreditVision risk scores.**

## **What do CreditVision risk scores offer over the traditional scores I've been using for years?**

CreditVision risk scores are the only scores in the industry that incorporate consumer payment behavior, directional changes and longitudinal trended credit views. These scores incorporate 30 months of account history to provide a new perspective that not only considers the “right now,” but also, “how did a consumer get here?” Lenders benefit from understanding how a consumer is using credit and paying against balances owed (minimum payments, full revolving balances, overpayments on installment loans, etc.). Armed with a more comprehensive score, lenders can make acquisition decisions with improved score precision.

## **Does a CreditVision risk score replace or complement my existing score?**

Either. CreditVision risk scores may help lenders make more profitable lending decisions through a

variety of implementation strategies. If used as a score replacement, a lender can solve for risk and/or growth targets using retrospective analysis results or performance tables. Score cutoff(s) can be derived to balance volumes and/or projected delinquency rates.

As a complementary score, lenders can easily identify swap sets to refine lending decisions. For example, a lender may be able to find low risk consumers just below the existing score cutoff using CreditVision. Similarly, CreditVision may identify high-risk consumers considered acceptable by the existing score.

## **How do I implement a new score into my current treatment strategies?**

To help lenders incorporate a new risk score, a TransUnion representative can provide performance tables to determine what cutoffs to use. [➔](#)

## How can I demonstrate that CreditVision risk scores are an improvement to my current scoring strategy?

A retrospective analysis of a lender's current score and a CreditVision risk score can be done to show improvements in acceptance rates, risk prevention, statistical power, performance lift and/or risk segmentation. Lenders can also activate new scores in a live environment in order to compare them. The comparison can be done after receiving a supplemental score with each new loan application, or initiating a second subscriber code to use the new enhanced scores on applications near the cutoff level. TransUnion can assist with this analysis upon request.

## If I currently lend in the prime space, what will a new score do differently to improve my lending strategy?

CreditVision risk scores have proven to be very predictive when compared to traditional risk scores. The findings from a [TransUnion study](#) looked at the CreditVision New Account Score versus a traditional risk score, and the CreditVision score identified approximately 23 million more super prime consumers. Findings like this may allow lenders to grow their portfolios while maintaining risk levels.

## How can I lend to consumers who were previously unscorable?

Lenders who previously turned away unscorable customers can now use advanced risk scores to confidently assess and potentially approve these consumers. Due to insufficient data on credit files, this segment of the market has often been overlooked or denied by lenders. Utilizing CreditVision risk scores, over 26 million consumers—previously deemed unscorable by traditional risk models—can now be effectively scored due to the power of trended credit data.

## We only score a portion of our applicants today. When does it make the most sense to use CreditVision risk scores?

Lenders considering an upgrade by incorporating CreditVision risk scores into their approach can use one or more of these scores on the same population as their existing score or scores. CreditVision scores can be used on the referral population which may improve efficiency on the "near cutoff" population (both just below or just above cutoff) to identify additional opportunities and/or eliminate risk.

## Do other credit bureaus offer a score that incorporates trended credit data?

CreditVision risk scores from TransUnion are the first and currently only bureau scores in the industry to incorporate payment and trended credit data.

## How do I get access to CreditVision risk scores?

CreditVision risk scores are available for online and batch deliveries. They are also available within TransUnion's decisioning platforms. These scores are delivered via the same channels that existing bureau scores are offered through today. Online delivery can be an add-on to a traditional credit report or an enriched credit report with expanded data fields and up to 30 months of account history.

## How can I use CreditVision risk scores today?

To meet distinct business needs, product-specific CreditVision risk scores help lenders better:

- Approve new accounts across a range of loan product types
- Manage existing customer loan accounts
- Determine a consumer's likelihood to file for bankruptcy
- Identify consumers more likely to pay down collections accounts

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## LEARN MORE

New to TransUnion: Please contact our Client Services group at [800-730-0126](tel:800-730-0126) to find out more.

Current TransUnion customers: Please contact your TransUnion representative who can help guide the incorporation of enhanced scores into future transactions.