

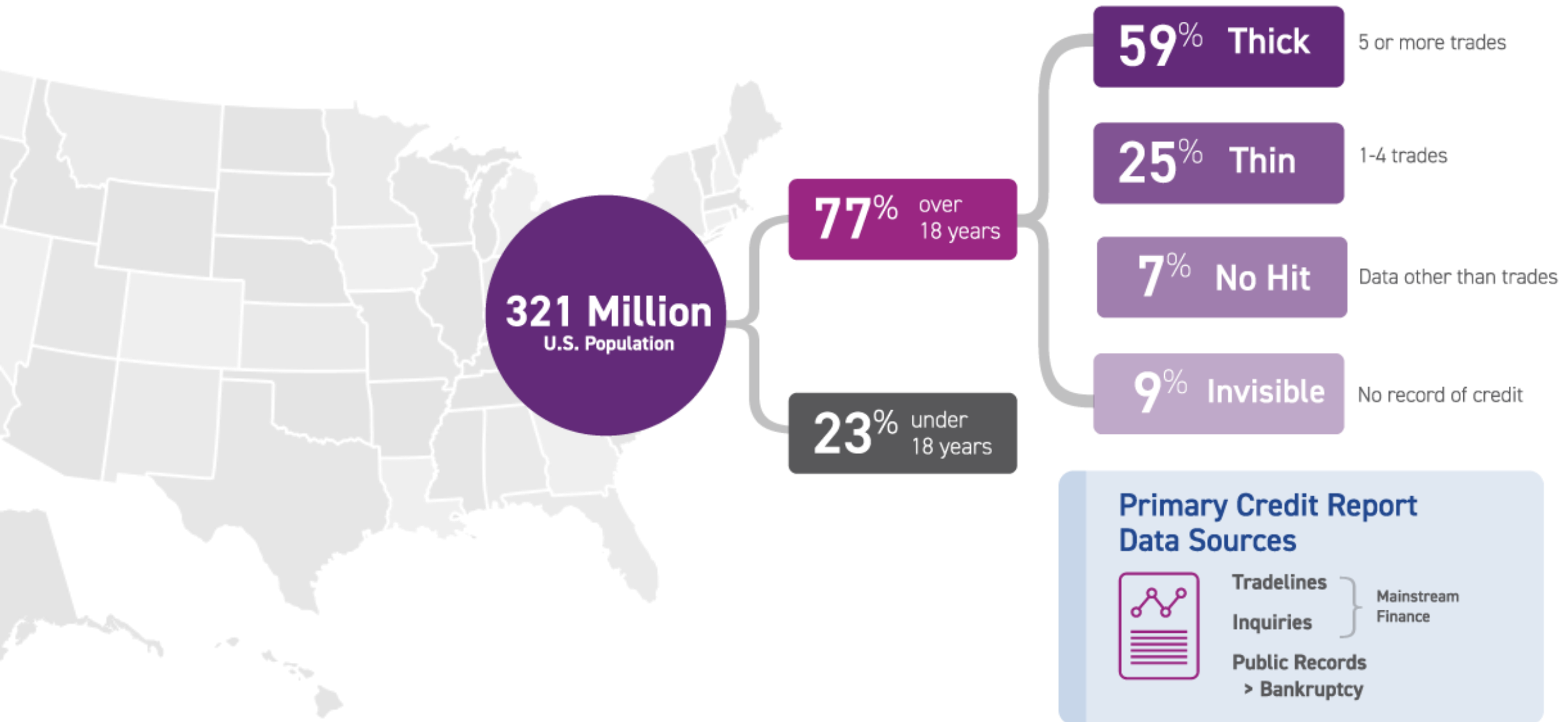
Bringing Clarity to Alternative Data

Presented by Rachel Peña
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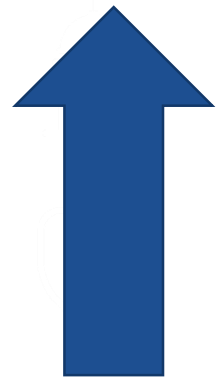


Starting Point:

U.S. Population by Credit Data Coverage



Alternative Financial Services (AFS) Trends



Number of unique borrowers grew by 30% over last 3 years

Installment Lending

In 2018, 55% of funded loans were over \$1000

which is the highest percentage over the last 4 years

62% of the loans had repayment periods > 7 months

and 9% were < 3 months



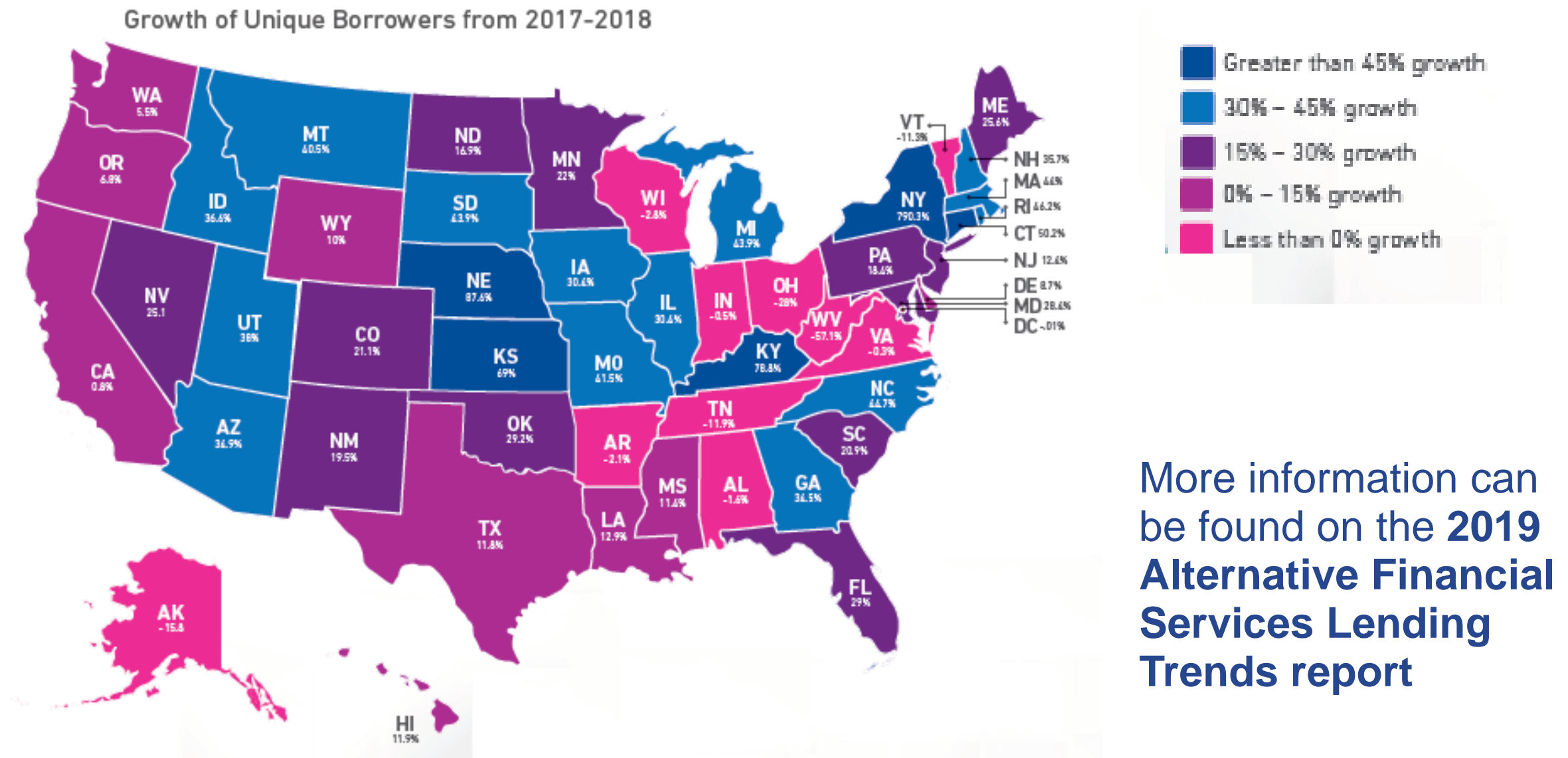
Over 60% of the scheduled payment amounts were between \$100 and \$500

and 12% were < \$100

In 2018, 2nd and 3rd Quarters showed signs of loan performance deterioration




For Installment Lending

Growth of AFS








Demographically, alternative finance consumers are younger

		Age	Gender	Married status
U.S. average		52	50%M 50%F	75%
Traditional finance only		53	50%M 50%F	77%
Traditional and alternative finance		42	51%M 49%F	61%

Alternative finance consumers tend to be much younger, on average than the U.S. population on File OneSM, in fact, they are more likely to be a Millennial or Gen Z



Financially, alternative finance consumers are different than the U.S. average

		VantageScore®	Total debt	Currently 90-180 DPD	Total annual plastic spend
U.S. average		677	\$87K	3.9%	\$18.5K
Traditional finance only		694	\$92K	2.5%	\$19.6K
Traditional and alternative finance		579	\$57K	11.0%	\$9.5K

Alternative finance consumers have lower average scores, lower debt, higher bad rates, and much lower spend



About Clarity Services



Largest nationwide, FCRA-regulated credit bureau that specializes in gathering and providing information about nonprime consumers



Powerful real-time fraud detection and credit risk management solutions



Rich data on 62 million unique consumers, representing the majority of the U.S. nonprime consumer population



Proprietary, real-time technology, flexible architecture and continuous innovation to be the leading provider to the most sophisticated, analytical and technology-driven online lenders



Founded in 2008; Headquartered in Clearwater, FL



Why Experian's Clarity Services?

Clarity's Data is Unique and Robust

Unique Contributors

Non-Traditional Lenders

- Online and storefront short-term unsecured
- Online and storefront nonprime installment and line of credit
- Marketplace
- Car title
- Rent-to-own

Traditional Underbanked Financial Services

- Nonprime and secured credit cards
- Nonprime auto loans
- Retail installment and POS credit
- Finance company installment

Other Sources

- Prepaid debit card "KYC" and ID verification
- Check cashing
- Debt collection
- Wireless providers



Online Lenders



Storefront Lenders



Auto Lending



Rent-to-Own



Subprime Cards

Unique Data

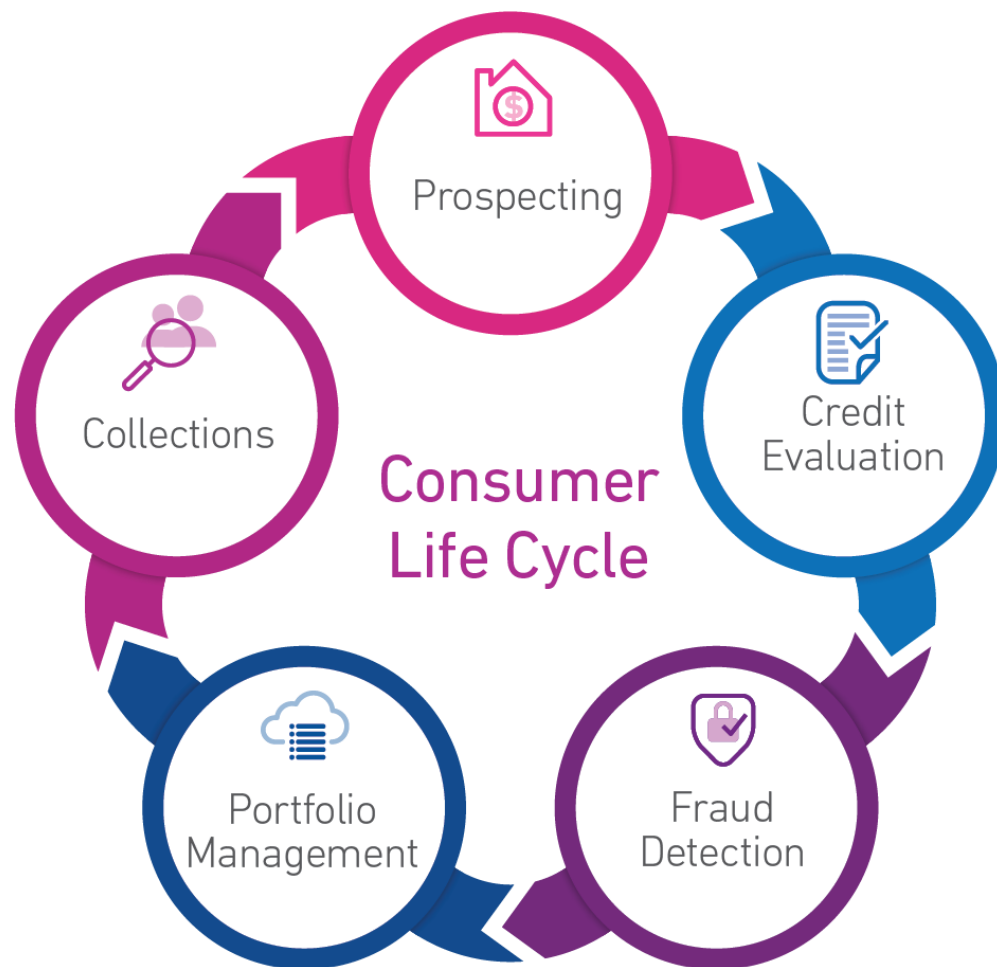
37 Data Attributes

From Consumer Loan Application

- Name
- Address
- Phone #
- Bank Routing and Account Number
- SSN
- Tradeline Type
- Driver's License Number
- Employer
- IP Address
- Housing Status
- Email
- Date of Next Payday
- Pay Cycle
- Net Monthly Income

- ✓ Real-time reporting on loan status with nightly and weekly tradeline updates
- ✓ No impact to Vantage/FICO score
- ✓ Not reported to other bureaus
- ✓ Give-to-get data reporting and utilization

Successfully navigate each stage of the consumer credit life cycle



Prospecting

Fuels customer acquisition by predicting in-market consumers



Credit Evaluation

Predicts credit repayment based on capacity, stability and payment history



Fraud Detection

Identifies applicants with no intent to repay



Portfolio Management

Signals financial stress or borrowing capacity for existing customers



Collections

Bolsters collection efforts with unique contact and prioritization insights

Questions?



