

# Clear Early Risk Score™

Assessing financial risk for consumers who lack traditional credit is like searching in the dark — difficult. Thankfully, it just got easier.

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Approximately 100 million consumers use some type of alternative financial services product today, such as short-term installment, title or payday loans. Unfortunately, lenders have had limited visibility on the inquiries and loan performance associated with these services and the consumer. With limited visibility comes an incomplete assessment of creditworthiness. Clear Early Risk Score™ provides the increased visibility needed to help lenders make more informed decisions.

## Innovative and comprehensive

The growth of alternative financial services means lenders often make decisions with only a partial understanding of a consumer's borrowing behavior. Clear Early Risk Score gives lenders a true competitive advantage by creating universe expansion opportunities and enabling more competitive terms through enhanced risk detection.

Clear Early Risk Score combines the power of alternative credit attributes from Clarity Services with Premier Attributes<sup>SM</sup> the most comprehensive suite of traditional consumer credit attributes, in a single score that predicts early risk. Combining mainstream and alternative finance attributes into a single score allows lenders to gain a more complete picture of borrowing behavior that can be integrated in batch and online Fair Credit Reporting Act (FCRA) campaigns. The score predicts a consumer's creditworthiness over 12 months of a traditional finance trade, providing early risk insight and enabling better lending decisions compared to using traditional risk scores alone. This translates into better risk management and improved access to credit for responsible borrowers.

## Clarity Services

Clarity Services is Experian's proprietary alternative finance bureau. With visibility on more than 62 million consumers, Clarity Services is the largest alternative finance specialty bureau in the United States. Coverage matters when making credit decisions, and Experian® provides the single best source of FCRA alternative finance data to enhance underwriting, account review and marketing decisions.

## Strategic value

Clear Early Risk Score provides an advantage in extending the scoreable population so you can:

- Underwrite more borrowers by servicing more consumers than you could with traditional scores alone
- Build growth strategies to target previously declined consumers
- Identify and capture new emerging consumers before your competitors
- Offer more competitive terms with a more accurate understanding of risk
- Be more confident in lending decisions knowing you have a more holistic consumer view and early risk insight on your side

## Clear Early Risk Score™

### Familiar score ranges

Clear Early Risk Score complements current traditional risk models. It uses a range of 300 to 850, which aligns with VantageScore 3.0 and Vantage Score 4.0. This allows for easy use and integration into existing decisioning criteria. The score can be used to identify high-risk consumers before their traditional score is impacted and low-risk consumers whose credit profiles are more favorable as a result of their alternative financial services history.

### Value across the consumer lending life cycle

Clear Early Risk Score can be used to capitalize on new opportunities across the spectrum of consumer engagement.

- **Prospecting** — Proactively target new consumers based on your lending criteria.
- **Acquisitions** — Determine risk of exposure at point of application.
- **Account management** — Monitor accounts for changes in credit risk and identify cross-sell opportunities.

### Strong performance

The graph below illustrates the strength of the Clear Early Risk Score. For near-prime consumers, Clear Early Risk Score supplements VantageScore 3.0, a traditional risk score, by identifying additional opportunities. With VantageScore 3.0 alone, you may approve 10 percent of the population inside your risk criteria. However, by adding the Clear Early Risk Score, you may approve 16 percent of the population inside the same risk criteria, representing a 60 percent lift.

To find out more about Clear Early Risk Score, contact your local Experian sales representative or call 1 888 414 1120.

