

Better customer insight, more debt recovery

Use Experian's Income InsightSM model to gain clarity on the repayment ability of your portfolio



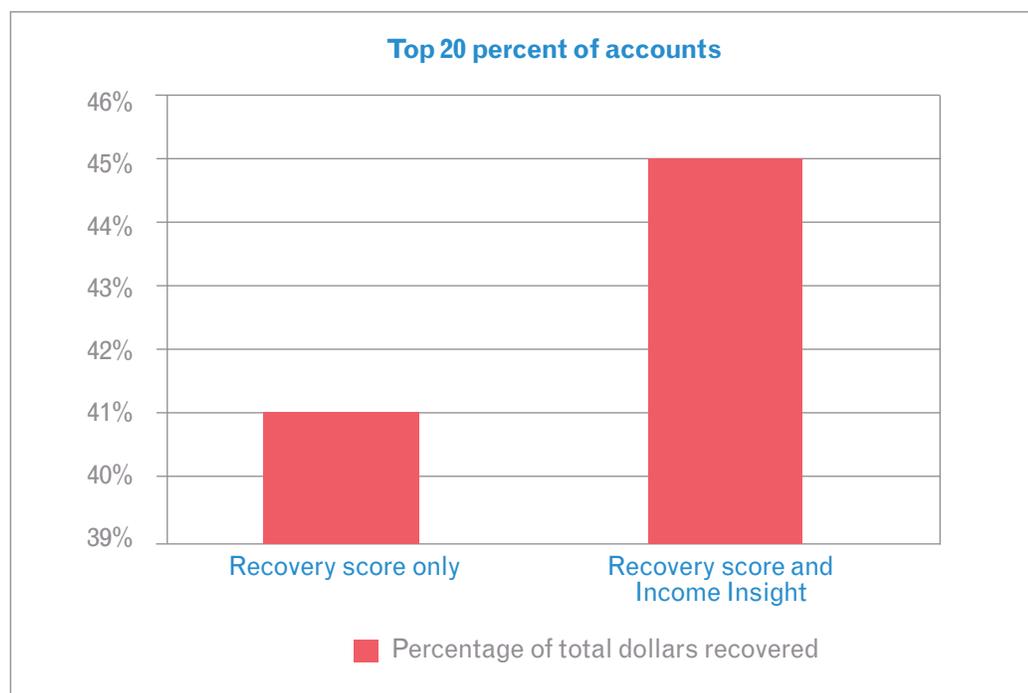
In a recent analysis, conducted with one of the nation's largest collection agencies, Income InsightSM was shown to provide a greater degree of accuracy in identifying recoverable accounts than traditional collection recovery methods. When paired with a recovery score, Income Insight provided a 7 percent lift by working the top 20 percent of accounts over a recovery-score-only decision strategy. This resulted in a return of approximately \$8 for every \$1 spent on Income Insight.

Income Insight — collection analysis

Credit grantors and collection agencies generally are using a recovery score of some kind to rank order their accounts. Those recovery scores typically assess a consumer's likelihood of payment based on his or her current levels of indebtedness, past history of debt and repayment. Income Insight provides an estimation of a past-due customer's income to add an extra level of transparency when determining ability to pay.

In the example in Chart 1, you'll see that within the top 20 percent of accounts with the highest Income Insight level, our client was able to realize a 7 percent lift in dollars recovered by working the same number of accounts. This resulted in a return of approximately \$8 for every \$1 spent on Income Insight.

Chart 1



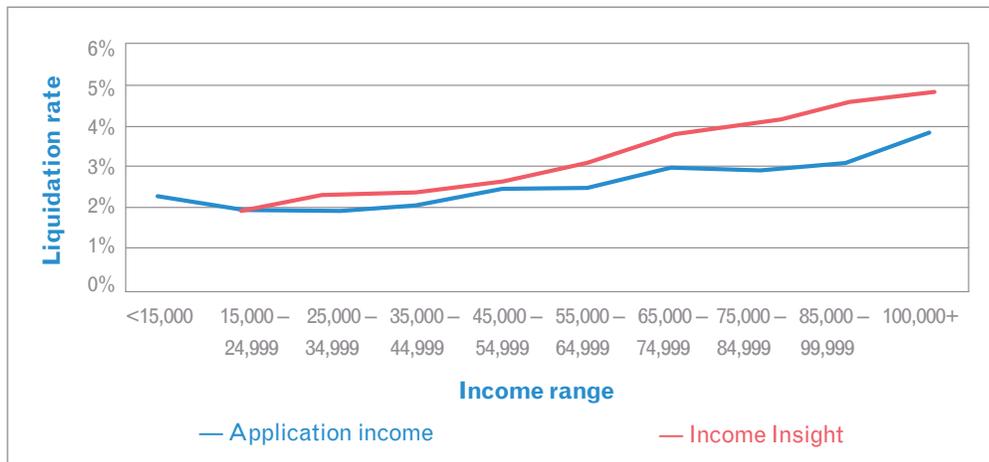
By combining Income Insight with a recovery score, you can achieve a greater degree of separation and identify segments in your portfolio with higher liquidation rates. Chart 2 shows that consumers within the higher Income Insight levels across both high and low recovery scores have higher liquidation rates. With this added level of transparency, you can prioritize those accounts within your collection workflow before the consumers who fall in the lower Income Insight levels.

Chart 2
Liquidation rates by score and Income Insight

	Recovery score 400–563	Recovery score 564+	Total
Income \$15,000–\$44,000	1.5%	3.0%	2.2%
Income \$45,000+	2.1%	4.2%	3.3%
Total	1.7%	3.6%	2.6%

Using a consumer’s income as input, you can develop more accurate and appropriate repayment plans and calculate settlement offers to maximize recovered dollars. In Chart 3, you’ll see the recovery rates associated with Income Insight income ranges compared with application income provided by the creditor. The consumers in the highest Income Insight ranges have higher recovery rates than the consumers in the highest application income ranges.

Chart 3



Thus, we see that the client’s actual payment behavior correlates more closely with Income Insight than it does with application income. With this greater degree of accuracy in the accounts classified as higher income, you can target the same number of consumers and gain more dollars recovered by matching settlement offers with a consumer’s ability to pay.

To find out more about Income Insight and how Experian can help you assess ability to pay and optimize your debt recovery processes, contact your local Experian sales representative or call 1 888 414 1120.

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