Product sheet

Bankruptcy PLUS℠

Identify bankruptcies before they happen

Credit risk scores predict delinquency, but they don't usually capture the behavior associated with bankruptcy. That's where our Bankruptcy PLUS℠ score comes in. We can help protect you from the high-dollar losses associated with bankruptcies.

Overview

Bankruptcies result in higher overall losses. They are rarely recoverable, utilization is typically high at the time of filing, and consumers tend to have multiple accounts with the same lender.

Confidence in credit decisions

Bankruptcy PLUS can be combined with a traditional risk model to improve the rank-ordering of creditworthiness. The model produces scores in two different ranges to align with both traditional bankruptcy models and traditional credit risk models. Based on your portfolio objectives, you set a cutoff score that will help you achieve profit goals.

Cost-effective, streamlined risk management Bankruptcy PLUS can help you with:

- Lowering acquisition costs and reducing risk by targeting creditworthy consumers for prescreen solicitations.
- Reducing bankruptcies while maintaining or increasing new account approval rates.
- Managing existing accounts more efficiently — increasing or decreasing credit limits, offering premium products or flagging accounts for future action.

Developed by a leader in scoring technology

Using a national sample, we analyzed more than 500,000 consumer credit files to determine which characteristics were most predictive of future good or bankrupt account performance. We tested more than 350 variables, including length of time in file, balance-to-limit ratios, and the presence of delinquent or derogatory accounts.

Advanced scorecard segmentation

While other bankruptcy risk models segment using traditional methods, Bankruptcy PLUS incorporates preliminary risk scores prior to calculating the overall risk. These scores create segments based on a consumer's bankruptcy risk grade and indicate which scorecard is most predictive for a specific consumer. This provides a significant lift in bankruptcy risk prediction.

Tri-bureau application

We have invested significant research to level its proprietary set of attributes across all three credit reporting agencies, ensuring that Bankruptcy PLUS utilizes the richest data possible. This streamlined development reduces the occurrence of score variation among the three credit reporting agencies since score differences are driven by differences in data, not differences in the scoring algorithms.

Increase your portfolio profitability

Bankruptcy PLUS outperforms other bankruptcy risk models by accurately classifying bankruptcy risk. Acquire quality business from a score you can rely on and harness the predictive power of Bankruptcy PLUS.

Bankruptcy PLUS overview

- Predicts the likelihood of future bankruptcies on any type of account within 24 months.
- Provides a choice of score ranges:
  - A traditional bankruptcy score range of 1 to 1,400 (low score = low risk).
  - A traditional credit risk model score range of 300 to 900 (low score = high risk).
- Includes up to four score factor codes, plus an additional fifth FACTA code as required.

Meet your bankruptcy challenge head-on. Contact your Experian sales representative today or call 1 888 414 1120.

Experian
475 Anton Blvd.
Costa Mesa, CA 92626
T: 1 888 414 1120
www.experian.com

12/16 • 1224/2642 • 1001-DA