



# Verification of Income

Bank-validated insight into your applicants' current financial assets

## Introduction

Our Verification of Income (VOI) Report allows you to confirm a borrower's income with up to 24 months of bank validated data. Through an online experience, your borrower identifies accounts where they receive income and permissions access for a review of their deposit transaction data.

Experian uses advanced analytics to identify income streams, both active and inactive. Through our analytics we are able to rank income streams, assigning a confidence score. This makes it easy to validate and sort income quickly. Income is now identified in minutes through a detailed report.

Using digital verification saves time and provides data direct from the source - banks.

## Income Verification

In order to verify income using transaction data, Experian first identifies income streams. These streams have common characteristics. For instance, each stream has at least three transactions. Each transaction has the same normalized payee (a combined and cleaned memo and description field). Each active stream will have had a transaction within its expected cadence (i.e. a 14-day cadence would be inactive after 16 days without a new transaction).

These streams can stretch back as far as 24 months, but the total numbers listed in the report (income estimates, total past 12 months, average monthly amount) only cover the past 12 months. The time period on the report runs from the oldest data retrieved to the date of the most recent data, which is typically the date the report was generated. If the data doesn't go back more than 6 months or 180 days the JSON report is flagged.

## Verification of Income

Once we have identified streams, we analyze them in order to assign confidence levels. Confidence levels increase when certain data is present. For instance, the longer a period of time a regular cadence of deposit transactions is present confidence is increased. Also, the more regular the cadence of the transactions in a stream - meaning less variability - the higher the confidence of the stream. Variation in transaction amounts can also affect the confidence of a stream. One-hundred percent confidence is typically only reachable if the normalized payee or transaction label has paycheck or payroll included in it.

The streams are ranked in the report from the highest to lowest confidence. The graphs associated with each stream in the PDF version make it easy to follow income over the past 24 months for each stream. Miscellaneous transactions are included, which comprise any stream with confidence of less than 20 percent and fewer than 3 transactions in the stream. High confidence levels are anything 95 percent or above and moderate confidence levels are anything above 50 percent.

### Use Cases

Digital verification can be used for any use case where income needs to be validated using data direct from a bank. Experian can provide an income estimate based on bank data that can confirm customer contributed information on an application. It can validate income potential customers submit on loan, rental, or other applications. Experian's verification of income data is also used to validate income for Freddie Mac's Direct Deposit program to provide digital solutions for mortgage origination and we're working with Fannie Mae on its Single Source Validation solution.

Use cases where a simplified quicker income verification can impact the customer experience:



Mortgage, personal, student, auto or other lending and refinancing



Landlord and rental application screening



Pre-employment screening



Welfare and assistance program income screening


### Coverage

Experian's solution in effect validates deposit transactions that can be identified as income. According to the 2018 National Payroll Week survey,

Younger and low-income workers, part-time workers and gig workers may be missing direct deposit transactions, but our solution can still identify other income streams. In those cases, income streams would typically have lower confidence levels.



**92%** of all U.S. Workers use direct deposit.



**Identify** consumer information, report date range and requestor of report for easy reference.

**Customize** up to five fields in marquee to better align with your lending or customer management software.

**Powered by Finicity**

**David Burton**  
123 Fourth St, Costa Mesa, 92626

Application Number: 169452  
Customer Rep: **John Smith**  
Location/Branch: CM-95-1656

Report ID: lxxtknhzxxz8-voi  
Date Range: 05/06/18 - 05/06/20  
Requestor: XYZ Company

INCOME STREAMS SUMMARY (Confidence: High)			
<b>Estimated Annual Income</b>		<b>Projected Annual Income</b>	
Estimated Annual Income (Net)	<b>\$71,130.66</b>	Estimated Annual Income (Net)	<b>\$57,612</b>
Estimated Annual Income (Gross)	<b>\$94,911</b>	Estimated Annual Income (Gross)	<b>\$76,931</b>

Stream Name	12 Mo Average Monthly Amount (Net)	Estimated Annual Amount (Net)
brighton central	\$4,800.96	\$57,611.54
rental property	\$583.33	\$7,000
transfer from checking	\$333.33	\$4,000
patent royalties	\$183.08	\$2,196.97

**ALL DEPOSIT STREAMS (24-MONTH HISTORY)**

**brighton central**

Account Owner: DAVID BURTON  
Account Name: FinBank Profiles - A...  
Account Number: XX7777  
Total past 12 months (Net): \$57,611.54  
12 Mo Average Monthly Amount (Net): \$4,800.96  
Cadence: 14  
Status: ACTIVE

**Confidence 100%**

Cumulative Total Past 12 Months (Net): \$57,611.54 / Cumulative 12 Mo Average Monthly (Net): \$4,800.96



**View** up to 24 months of deposit data for all identified income streams and verify owner(s) of accounts, average monthly income, frequency or payor.

**TRANSACTIONS**

DEPOSITS - BRIGHTON CENTRAL - FINBANK PROFILES - A CHECKING XX7777 WWW.FINBANK.COM

Date	Category	Description/Memo	Amount
05/01/20	Paycheck	BRIGHTON CENTRAL PAYROLL	\$2,758.73
04/15/20	Paycheck	BRIGHTON CENTRAL PAYROLL	\$2,843.68
04/01/20	Paycheck	BRIGHTON CENTRAL PAYROLL	\$3,127.76
03/15/20	Paycheck	BRIGHTON CENTRAL PAYROLL	\$2,843.68

**Capture** all deposits in each stream, including miscellaneous deposits.

