

Auto Lending: Trailblazing to Credit Expansion

You're on the road to new credit opportunities—but as you expand into new markets, you may find that current tools and processes are actually hindering your progress.

You're up against...



Limited Data Coverage



Inflexible Data Models

Unexpected Regional Variance



52M U.S. consumers have no credit history; a new market may contain more of these “unscorable” segments – e.g. Millennials or immigrants

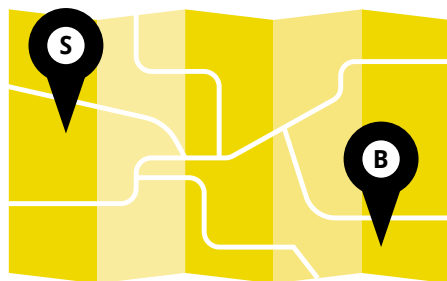


The distance between “data richness” and “data gaps” may be a few zip codes apart:



Smithton Population:

- Students with limited credit history
- Many educational/professional licenses
- Unique asset ownership (land, livestock)



Basstown Population:

- High part-time residency
- High ownership of second homes and rental property
- High boat ownership
- Large seasonal/temporary workforce

Strengthen your ability to predict risk with alternative data.

Lender used traditional models for a new region

Result:

Experienced a “bad rate” as much as 1.7x higher than in “home” region¹

Lender accounted for local variances in data models

Result:

2x better performance and 45% increase in ability to accurately rank-order risk²

Address regional variability to get a better view of new markets.



Build flexible, nuanced score cards



Approve more applicants



Expand your addressable universe

The custom RiskView™ score outperformed the traditional bureau-based score by 49% using alternative data and powerful predictive insights³



Gain traction in any auto lending market. risk.lexisnexis.com/CreditRisk

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¹ LexisNexis® Risk Solutions Case Study, 2017

² Ibid.

³ Ibid.