CreditVision Premium Algorithms
India’s next generation risk solution.

CreditVision: Understand your Consumer Better, Easily
CreditVision is a powerful suite of solutions that takes consumer decisioning to the much heightened level of accuracy and profitability. CreditVision algorithms, based on up to 36 months of historical data, enables identification of comprehensive and specific customer behavior. The CreditVision algorithm, given an easily usable and quantitative format, enables financial institutions to use these customer insights to make more precise lending decisions.

Algorithms Unravel Customer Behavior Improving Lending Decisions

The current CreditVision algorithms are the result of years of analytical and data research based on more than 700 algorithms which are best suited to the Indian lending scenario. It covers the entire range of products in both secured and unsecured space.

CreditVision: The Future of Bureau Data, Available Now
Usage of traditional bureau data more often focuses on point-in-time bureau data. Models and business rules which are based on only point in-time data/snapshot data leaves out valuable insights on consumer credit behavior from decision criteria. Thus lenders miss out on both, viable lending opportunities as well as precise early warning indicators. For a country such as India, known for conservative consumers, many viable consumers lose out on access to credit as a result of only point in time data usage in underwriting.
AEP can be calculated over any past timeframe up to 30 months using CreditVision data. Let us define Aggregate Excess Payment (AEP) as total payments - total amount due.

\[
\text{AEP} = \sum \text{MPD (EMI)} - \sum \text{Payment}
\]

For Example: Is there any correlation to risk between a consumer making monthly payments in excess of the amount due versus making steady payments? The amount a consumer pays in excess of what is required can be used to further discriminate risk.

**Tradition Bureau Data**

With standard credit information, see the consumer’s balance at the point in time when the credit report was ordered.

- What will the balance be in future months?
- How will this impact a credit decision?

**TransUnion® CreditVision**

Obtain a much more granular view of consumer behaviour.

- Now, what will the balance be in future months?
- Would the decision have changed?

Sample CreditVision premium algorithm sets:

**Revolving**

Categorizes retail trades as revolving, transacting or inactive each month, and describes related behaviors (e.g., revolving frequency, utilization).

**Payment**

Identifies payment-based credit behaviors by using payment amount or balances to evaluate how consumers manage monthly obligations (e.g., actual-to-minimum payment, prepayment frequency and amount).

Let us define Aggregate Excess Payment (AEP) as total payments - total amount due.

AEP can be calculated over any past timeframe up to 30 months using CreditVision data.
LENDING STRATEGY FOR A GROWING NATION

In a nutshell, each CreditVision algorithm is information that is content wise comparable to a mini model (deterministic as opposed to predictive) that gives a wealth of information. The ease of using this for analytical and technological purpose is as convenient as traditional bureau data.

**Acquisition:**
Insight based algorithms that help in improving the underwriting process while lowering risk during customer acquisition

**Retention:**
Provides early indicators to flag borrowers that are unable to pay existing debts. With such indicators, lenders can identify and reach out to distressed borrowers to get them back on track before they start to default

**Line-Increase:**
Provides insights into behavior of the potential customers that enable lenders to identify and target them. These customers with significant accounts, balances and spend can potentially be gained through proactive strategies

**Share-of-Wallet:**
Captures bankcard trade activity indicative of significant changes in balance from month to month (e.g., maximum balance change, number of >25% balance shifts)

**Risk Management:**
- Revolving vs. transacting consumers have very different risk profiles
- Risk can be further differentiated by examining payment ratios and excess payments

**Marketing:**
- Target high volume transactors with the appropriate premium rewards offers
- Improve loyalty strategies using wallet share algorithms

**Collection:**
- Focus collection efforts on customers who have made payments on other accounts