

Bankruptcy WatchSM

Powerful protection against bankruptcies and other high dollar losses

Every year, the credit industry loses billions of dollars to consumer bankruptcy filings—accounting for as much as 50% of total losses at some institutions. Yet consumers who file for bankruptcy often exhibit some of the same characteristics as good credit risks. The task of separating potentially profitable accounts from potential bankruptcies requires the reliable and precise predictive power of Bankruptcy Watch from Experian.

Make decisions with assurance

Bankruptcy Watch adds confidence to your credit decisions. It ranks your accounts across the spectrum of creditworthiness, clearly illuminating the risk level associated with each account. The model generates one score per report, between 1 and 999. The higher the score, the less likely the consumer is to file for bankruptcy or exhibit serious delinquent or derogatory behavior. You set a cut-off score based on your portfolio objectives.

better approval decisions, set initial credit limits or determine collateral requirements.

- *Managing accounts*—Bankruptcy Watch gives you a snapshot of a consumer's payment performance with other creditors, providing a more complete picture of the risk associated with each account. Use this insight to develop strategies for establishing credit limits, maximizing cross-selling opportunities or prioritizing your collection actions.

Predictive power to improve your decisions

This powerful, statistically valid risk model is easy to use and access. It helps you reduce losses associated with bankruptcy:

- *Targeting creditworthy consumers*—reduce risk and lower acquisition costs by identifying consumers who qualify for your credit offer.
- *Acquiring new business*—receive a Bankruptcy Watch score whenever you access an online Credit Profile report from Experian. You can use this information to make

Strong and robust bankruptcy prediction

Bankruptcy Watch capitalizes on Experian's expertise in building consumer credit bankruptcy models. Using Experian's extensive database, Bankruptcy Watch was developed from a sample of approximately 5.7 million consumer credit profiles. The credit information includes public record information, tradeline data and inquiries.



The model examines credit variables from profiles in the development sample to predict credit performance over a twelve month period. On the performance date, each consumer was classified as "good" (no delinquencies within the performance period) or "bad" (filed for bankruptcy within the performance period). This "good-bad" classification system, combined with risk-based scorecard segmentation, creates a strong and robust bankruptcy predictor.

Meet the bankruptcy challenge—head on

Bankruptcy Watch can help protect you against bankruptcies and other high dollar losses.

To find out more about Bankruptcy Watch, contact your local Experian sales representative or call 800 333 4930.

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