

# VantageScore: the leader in credit scoring innovation.

From 1987, when the first generic credit scoring models were introduced, through 2005, the credit scoring industry was dominated by a single company with little incentive to innovate. The arrival of VantageScore Solutions in 2006 brought competition between developers that has fueled innovation and benefitted both lenders and consumers.

## VantageScore 1.0

- Provides new approach to consistency: characteristic leveling and synchronized development window
- Scores 15 million more consumers
- Introduces proportional performance definition
- Introduces rent, telco and utility data

## VantageScore 2.0

- Blends data from two time frames
- Developed on 45 million credit files (roughly 2x previous) for greater predictiveness

## VantageScore 3.0

- Scores 98% of all consumers with credit files; scoring 30-35 million more consumers than conventional models.
- Enhances originations performance\*
- Ignores paid medical collections
- Adopts 300-850 score range
- Simplifies reason code language
- Introduces ReasonCode.org to aid consumer understanding

## More than 8 billion

VantageScore credit scores were used in a 12-month period in 2015-16, nearly a 40% increase in annual usage.

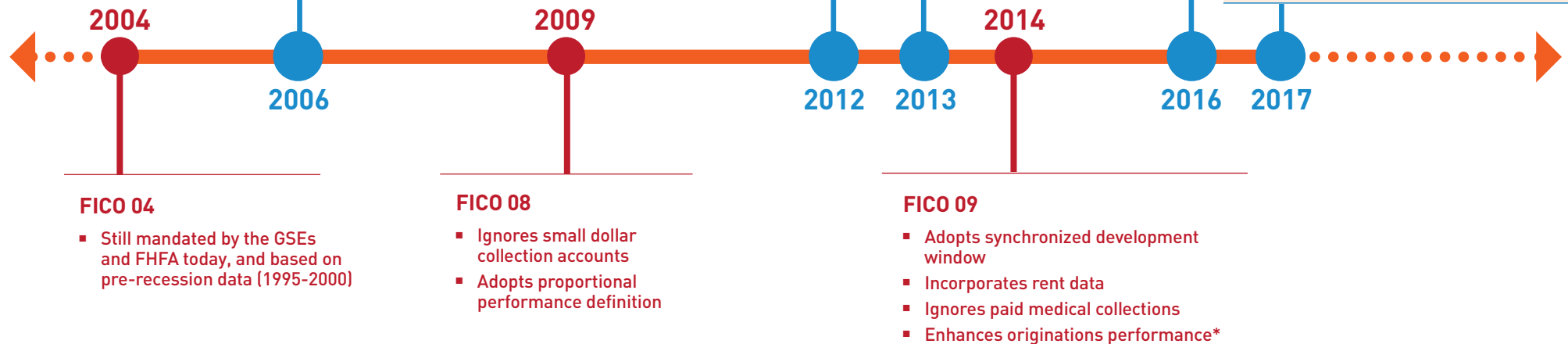
## More than 2,400 lenders,

including 20 of the top 25 financial institutions, used VantageScore credit scores from July 2015-June 2016.

## VantageScore 4.0

First and only tri-bureau model that:

- Incorporates trended data
- Leverages machine learning
- Aligns with anticipated NCAP changes
- Nearly 20% incremental predictive performance among Prime consumers when using trended credit data attributes (vs. static data attributes)
- 16.6% and 12.5% performance lift in the bankcard and auto originations categories for dormant\*\* consumers (vs. VantageScore 3.0)
- 5.3% lift in predictiveness for mortgage originations



\* Some generic models are used both to originate new loans and to manage existing accounts. VantageScore 3.0, and later FICO 9, made changes to attribute specifications to enhance each model's predictiveness for the origination of new loans.

\*\* Consumers who have scoreable trades but do not have an update to their credit file in the last six months

# VantageScore: A history of firsts in the credit scoring industry.

In an industry that had become stagnant, VantageScore is proud to be the leader in scoring innovation and the catalyst for competition.

## First tri-bureau model to:

- **incorporate** rent payment data when present on the credit file
- **expand** its scoreable universe to 98% of all consumers with a credit file
- **provide** consumer-friendly interpretations of reason codes — as seen on [www.ReasonCode.org](http://www.ReasonCode.org)
- **eliminate** paid collections
- **provide** end users with attribute level transparency and training
- **incorporate** trended credit data
- **include** National Consumer Assistance Plan alignment

**First** commercially available model (i.e., not educational) to be provided for free to consumers

**Only** score developer to publish validation results annually