

What traditional credit models overlook in today's borrowers

Traditional data can leave you guessing

Relying solely on traditional credit models can leave gaps in understanding a borrower's full financial health.



Alternative data helps fill in those gaps.

The good news is

96%

of U.S. Adults are now scoreable with alternative data.

That means more qualified borrowers and more opportunities to grow your portfolio.

But what does this look like in real life? Let's explore an example where alternative data makes the difference.

Meet Jane:

The borrower traditional models miss

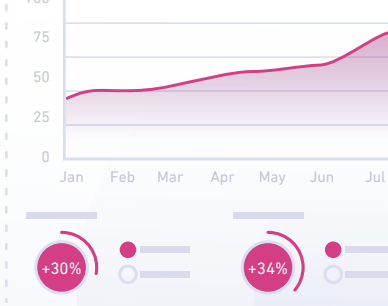
Jane has a lower traditional credit score, but she earns a steady income, pays her bills on time, and manages her finances responsibly.

Traditional credit score

Alternative data



- Steady income based on Jane's cashflow activity
- No sign of subprime loans in the past 12 months
- Conservative spending habits with a generous cash reserve



Despite Jane's lower traditional credit score, alternative data reveals that she has been making recent strides in her overall financial health, indicating that she may be a reliable borrower.



On the flip side - Meet John:

A risk you might miss without alternative data

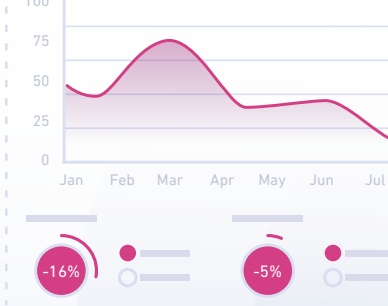
Despite having a high traditional credit score, John has several flags indicating he may be a risky borrower.

Traditional credit score

Alternative data



- Irregular, but high income based on John's cashflow activity
- Short term installment loan taken out in the last 6 months
- Excessive spending habits in recent months



John's traditional credit score looks impressive, but alternative data reveals recent financial stressors that may indicate risk.

To identify emerging borrowers like Jane or detect borrower profiles with hidden risks like John's, lenders need to leverage reliable alternative data.

Now lenders can gain full visibility on borrowers with **Experian's Alternative Data Solutions**



Cashflow Data

Real-time consumer-permissioned transaction insights

Cashflow Attributes

Cashflow Score



Advanced Alternative Data Score

Intelligent scoring models that blend traditional credit metrics with alternative data

Lift Plus

Lift Premium



Clarity Data

Largest expanded FCRA database offering expanded credit data and non-traditional lending insights

Clarity Attributes

Clarity Scores



Modernized payment methods

Analysis on modernized payment methods

Buy Now Pay Later Data

Experian's predictive data solutions empowers lenders to:



Identify more qualified borrowers



Spot risky behaviors



Strengthen portfolio performance

Unlock the power of alternative data with Experian

Go beyond traditional models to fuel growth and expand your lending opportunities with precision.



www.experian.com/alternativedata