

Payment Instrument Risk Score version 2.0

PI Risk Score 2.0 is twice as powerful in predictive analysis, with twice as many attributes for credit segmenting.

ValidiFI's Payment Instrument Risk Score (PI Risk Score) leverages live bank and card account information, analyzing financial patterns and characteristics from current and historical data from debit cards, pre-paid cards, credit cards, bank accounts, contributory databases, payment platforms, and payment processors, to deliver an actionable risk score.

This tool is valuable for creating visibility for consumer's with little or no credit information available. It is equally valuable for supplementing a consumer's profile that contains a rich credit history, and helping to better identify outlier's risks, or better product fit.

PI Risk Score 2.0 has 23 NEW attributes. Now with over 50 attributes in total, providing insights on negative/positive behaviors, frequency and velocity of payment history. The score is based on factors such as account status, negative and positive transaction data, transaction history, and proprietary algorithms. This score is a concrete source for improving risk models that incorporate alternative and traditional credit bureau data to enhance or generate new customer acquisition strategies.

What is PI Risk Score?

The PI Risk Score is a number that predicts the likelihood that a consumer will pay their bill on time, payback a loan, or other credit obligations in a timely fashion. Using a mathematical algorithm, the PI Risk Score looks at a consumer's credit activities and behaviors, account length and history, new account creation velocity, payment instrument transaction history, and other characteristics of the financial institutions issuing the accounts.

The PI Risk Score does not rely on the total or type of debt a consumer has, nor whether there was a bankruptcy, lien, judgement, or foreclosure. The PI Risk Score helps you more accurately understand credit risk.

Behaviors Measured:

- ▶ **Is the account valid?**
- ▶ **Has the account ever been closed?**
- ▶ **Are there any negative transactions?**
- ▶ **What is the likelihood of repayment?**

Key Benefits

- ▶ **Non-credentialed bank data**
- ▶ **Improves speed of originations**
- ▶ **Reduces ACH and card transaction costs**
- ▶ **Usable for FCRA purposes**
- ▶ **Improves NACHA and Card Brand compliance**
- ▶ **Increase originations from thin and no-file consumers**
- ▶ **Non-tradeline data for independent verification of risk**
- ▶ **Enhances existing models with a more complete consumer profile**