

# Risk Triggers<sup>SM</sup>

Monitor and protect  
your portfolio from  
accounts in peril



The best time to manage portfolio risk is before real trouble begins. That is why Experian® developed Risk Triggers<sup>SM</sup>, the fastest way to identify new derogatory information on a customer's credit report. Take control of your portfolio and identify your customers' developing credit problems long before they affect your profit margin.

#### Minimize your risks

When your customers are having credit problems, they are a threat to your profitability. What's worse is not knowing who they are until it is too late. Experian's Risk Triggers quickly alerts you to accounts with new derogatory information, such as a recent bankruptcy, judgment or lien; collections; late payments; charge-offs; or changes in public records. You then can respond immediately to your customers' changing creditworthiness with appropriate action, such as closing an account or setting up a payment plan.

Risk Triggers is part of Experian's industry-leading Notification Services triggering service, which provides daily notification of new trade, inquiry and public record information to help you immediately identify new risk or determine when to offer your current customers additional services, based on specific credit behaviors.

#### Daily notification

As the only company capable of supplying nationally updated daily notifications, Experian can provide the derogatory information you need to protect your profit margin. That allows you to take daily, proactive measures to minimize loss in the earliest stages.

#### Swift action limits losses

Clients using Risk Triggers as their early warning system are experiencing significant improvements, as the following examples show:

- A midsize card issuer reduced net credit losses by 10 percent by taking action on bankruptcy notifications received in as little as three days after the filing date
- Another client reviewed 168,000 charged-off accounts and determined that, using its existing credit policy rules, the client would have saved \$2.1 million in only six months had it acted on the trigger immediately versus waiting for the monthly account review data

Risk Triggers can help you stay informed so that you can reduce the risk of losses from accounts in peril:

- **Credit card issuers:** Manage credit lines and authorization parameters and control credit limits
- **Mortgage lenders:** Monitor and manage high-risk accounts
- **Credit unions:** Control risk and maximize profitability

#### Tailor triggers to meet your needs

Risk Triggers can be easily aligned with your company's existing processes and credit policies:

- Monitor your entire portfolio or selected segments
- Choose from more than 100 precisely defined triggers
- Set hierarchies and cool-off thresholds to limit the amount of triggers received daily and filter out unneeded information
- Enhance your decisioning process by having scores and attributes appended to your triggers

Gain better visibility of the customers you would like to monitor. You either may send an input list for monitoring or Experian can extract the list from our File One<sup>SM</sup> database.

#### Optional value-added Credit Limit, Utilization and Balance Triggers

Credit Limit, Utilization and Balance Triggers is a group of triggers that can be added onto a Risk and Retention Trigger program to provide additional insight into a consumer's credit behavior. These value-added triggers provide a more granular view of key contributors to a consumer's credit score and allow you to employ retention strategies or risk controls more effectively.

Our individual tradeline-level triggers provide the valuable data our clients need to make more profitable decisions:

- **Credit limit trigger** — identifies directional changes to the credit limit amount
  - Understanding the amount and direction of a credit limit change is key to making healthy portfolio decisions
- **Utilization trigger** — identifies percentage point changes to utilization
  - If you are notified of a sudden and significant balance increase from one reporting cycle to the next, you may want to re-evaluate the open line of credit your customer has with you

- **Balance trigger** — identifies changes to the balance amount
  - Notification of a sudden balance reduction from one reporting cycle to the next provides you with the opportunity to consider the customer for a retention campaign

In order to provide the highest degree of clarity, the Credit Limit, Utilization and Balance Triggers calculations are broken into account types. There are eight categories of accounts:

- Auto
- Bankcard
- First mortgage
- Second mortgage
- Home-equity line
- Retail
- Student loan
- Unsecured line of credit

Let Experian help you stay abreast of sudden changes to your customers' accounts. To find out more about Risk Triggers, contact your local Experian account representative or call 1 888 414 1120.