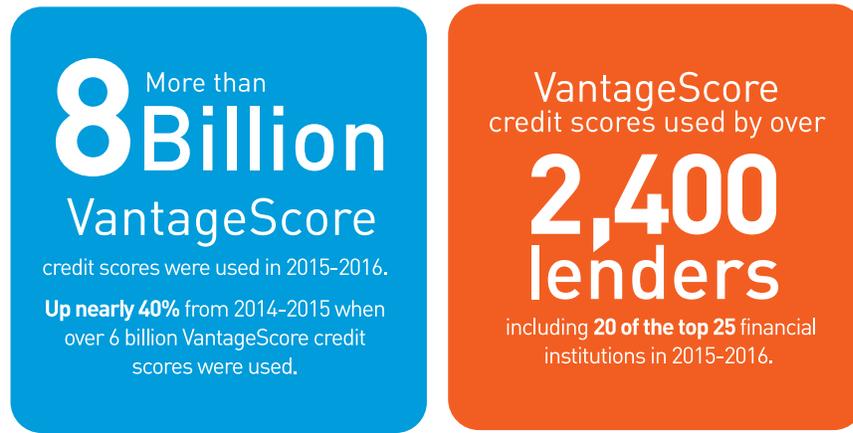


# Press kit

VantageScore Solutions, LLC ([www.VantageScore.com](http://www.VantageScore.com)), is an independently managed company that holds the intellectual property rights to VantageScore, a generic scoring model introduced in March 2006. Created by America's three national credit reporting companies (CRCs)—Equifax, Experian and TransUnion—VantageScore Solutions' highly predictive model uses an innovative, patented and patent-pending scoring methodology to provide lenders and consumers with more consistent credit scores across all three major credit reporting companies and the ability to score more people.

More than 8 billion VantageScore credit scores were used from July 2015 through June 2016, by over 2,400 lenders and other industry participants — including 20 of the top 25 financial institutions.



VantageScore Solutions retains the rights to the VantageScore® generic credit scoring model, and the intellectual property on which the model is based. More information is available at [VantageScore.com](http://VantageScore.com).

# About VantageScore Solutions, LLC

VantageScore Solutions, LLC, is the company behind the VantageScore® model, a consumer credit scoring model introduced in 2006.

VantageScore Solutions, LLC, is an independently managed company whose members include the three national credit reporting companies (CRCs)—Equifax, Experian and TransUnion. A team of top statisticians, analysts and credit data experts from each of the CRCs built the original VantageScore model. Since then, VantageScore Solutions has introduced new generic credit scoring models, including the VantageScore 3.0 model, a highly advanced consumer credit scoring model with the ability to dramatically improve a lender's business.

The VantageScore credit scoring model is independently sold and marketed by each of the CRCs through licensing arrangements with VantageScore Solutions. VantageScore Solutions does not participate or engage in those commercial aspects. The role of VantageScore Solutions is to manage and preserve the intellectual property assets of the venture, to conduct regular validations of the model's underlying mathematics to ensure consistent performance over time, and to educate VantageScore Solution's constituents and third parties about the model.

# Executive leadership

## Barrett Burns

### President and CEO

Barrett Burns is president and chief executive officer (CEO) of VantageScore Solutions, LLC, an independently managed joint venture whose members include the three national credit reporting companies—Equifax, Experian and TransUnion—and the company behind the VantageScore® consumer credit scoring model. Prior to joining VantageScore Solutions as CEO during its formation in 2006, he was executive vice president at U.S. Trust, heading the National Private Banking Group and a member of U.S. Trust's Executive Committee and the Senior Management Team of parent company, The Charles Schwab Corporation. Previously, he served as executive vice president of global risk management and chairman of the Credit Policy Committee at Ford Motor Credit Company, and as senior vice president and COO of Bank One's auto finance division, the largest non-captive lender in the U.S. at the time. Burns also spent more than a decade with Citibank, lastly as group credit officer for an international consumer banking division that included operations throughout the U.S. and Europe.

He serves as a member of the Corporate Board of Governors for the National Association of Hispanic Real Estate Professionals and on the Asian Real Estate Association of America's National Advisory Council. Burns is also a member of the National Community Reinvestment Coalition's Mortgage Finance Collaborative Council. He served on the Federal Reserve Board's Consumer Advisory Council until June 2011 and is a director of the Homeownership Preservation Foundation.

Burns received a Bachelor of Arts in economics from Washington and Jefferson College.

## Sarah F. Davies

### Senior Vice President, Analytics, Product Management and Research

Sarah Davies is senior vice president of analytics, research and product management at VantageScore Solutions LLC, a company launched by the three national credit reporting companies—Equifax, Experian and TransUnion—to provide credit grantors a highly predictive credit scoring model that is based on a common methodology and enables scoring of more consumers.

In addition to her product development work, Davies is responsible for the annual revalidation of the VantageScore model. She has nearly 20 years of analytics and information sciences experience in various industries, most recently with IntelliRisk Management Corporation, one of the largest customer care and accounts receivable outsourcing companies in the U.S. Earlier, she was senior vice president of marketing at Advanta Financial Services, a leading provider of financial and business solutions for small to medium businesses. Davies also served as executive vice president of marketing services for Bank One's card products and was a principal at American Airlines' Sabre Decision Technologies, a leading analytics and logistics consulting firm for the travel industry.

She earned undergraduate and graduate degrees in operations research and statistics from the University of Wales and Iowa State University, respectively. She is a member of the Operations Research Society and holds several patents and copyrights on various analytical and risk management products.

# Executive leadership (cont.)

## Mike Trapanese

### Senior Vice President

Mike Trapanese is senior vice president at VantageScore Solutions, where he is responsible for strategic planning and alliances. Prior to joining VantageScore, Mike oversaw strategy and corporate development at the Federal Home Loan Bank of New York. In that capacity, he was instrumental in developing strategies, programs, investments, and policies to position the bank within the evolving housing finance supply chain. Mike began his career as a management consultant, where he worked with some of the largest financial services firms in the world on their most pressing strategic challenges.

Trapanese holds a MBA from the Wharton School at the University of Pennsylvania, where he was a fellow in the Program for Executives, and he holds a BA from Boston College.

## Jeff Richardson

### Vice President and Group Head, Marketing & Communications

Jeff Richardson joined VantageScore in 2011 as Vice President of Public Relations, but he has been involved with the company since its launch in 2006. In his capacity as managing director at Starkman & Associates, he served as public relations counsel for the introduction of the VantageScore 1.0 model and the launch of the company. Since joining the company full-time, Richardson has spearheaded media-relations strategy for the VantageScore 3.0 model and taken over management of all company communications programs, including advertising, digital outreach, and social media as well as public relations. Richardson is a graduate of West Virginia University.

# The VantageScore® model approach

The VantageScore model was developed to meet industry needs for a credit scoring model that scores more people (e.g., consumers with limited credit histories or who are new to the market); improves risk assessment; and offers greater score consistency across all three national credit reporting companies (CRCs)—Equifax, Experian and TransUnion. Working together, the three CRCs brought a wealth of industry knowledge and analytical expertise to the development of the first VantageScore model.

The nation's three major credit reporting companies (CRCs)—Equifax, Experian and TransUnion—collaborated in the summer of 2005 to develop the first VantageScore model in response to credit grantors desire for a model that could more reliably and predictively score more people. The development team designed a model that accomplishes these goals:

- A highly predictive, generic consumer credit risk model
- Improved risk assessment
- For the first time, a singular consistent model that can be applied at each of the three CRCs
- Expanded the universe of people who can be scored

Since that time, advancing those goals even further, VantageScore Solutions has introduced two subsequent models, with the introduction of VantageScore 3.0 in March 2013 as the most recent and most advanced model.

The VantageScore 3.0 model leverages the core VantageScore platform to deliver improved predictive performance so that lenders can look beyond the economic volatility of recent years and reenter the market with confidence.

## VantageScore models at a glance

- Predict the likelihood of future serious delinquencies (90 days late or greater) on any type of account
- VantageScore 3.0 returns a score range of 300-850; earlier models return a score range of 501-990 (higher scores represent a lower likelihood of risk)
- A consumer score is based primarily on a 24-month review of a consumer's credit file
- Includes up to four score factor codes and a fifth FACTA reason code (Spanish version available)
- Can be accessed from all three major credit reporting companies

## Highly predictive

Using advanced modeling techniques, including unique segmentation designs, each VantageScore model has proven to be highly predictive of consumer credit risk. Annual validations demonstrate that VantageScore models outperform models from each of the three national CRCs in every test.

Specifically, the VantageScore 3.0 model offers significant predictive lift over other credit scoring models by taking maximum advantage of the more granular data available from all three national CRCs. This data provides:

**Deeper understanding of mortgage-related debt.** Detailed mortgage tradelines separate first mortgage from other mortgage-related transactions to provide for a more detailed picture of a borrower's mortgage-related debt.

**More distinctions between different types of loans.** More distinct definitions of data, such as the ability to identify and break down student loan accounts to extract specific behaviors and account characteristics.

**Detailed delinquency and default timeframes.** More accurate measurement of delinquency and default timeframes, which provides for an improved representation of a consumer's payment behaviors.

Couple that with the VantageScore 3.0 model's truly advanced analytics, and now lenders can take advantage of transformative predictive lift.

VantageScore Solutions transparently posts its validation results for all to see on its website. To gain additional insight into the performance of all VantageScore models visit [www.VantageScore.com/resources](http://www.VantageScore.com/resources).

## Scores more people

The predictive power of the VantageScore model enables lenders to find more creditworthy consumers and allows more consumers to access credit from mainstream lenders. These consumers include those with little credit history such as infrequent credit users, young adults new to the credit markets, recently divorced or widowed individuals with little credit in their own name, newly arrived immigrants, and people who have avoided the banking system or credit markets by choice. These consumers frequently turn to non-traditional and, sometimes, predatory lenders for loans.

With the VantageScore 3.0 model, lenders can confidently assess broader populations of consumers and provide the most appropriate terms for credit products. This is accomplished through:

- 1) Adding a thirteenth scorecard to the model's segmentation design for those with little-to-no recent credit activity.
- 2) Factoring non-tradeline credit data such as collections, public records and inquiries when active tradeline data is not present.
- 3) Utilizing tradeline data in consumer credit files that is older than 24 months but remains predictive, an analytic breakthrough and major benefit to infrequent credit users.
- 4) Using rent, utility and telecom data when it is present in a consumer's credit file.

## Deeper sample size

Approximately 45 million anonymous consumer credit profiles were obtained from the three national CRCs for model development. This represents a much larger sample of credit files than is utilized in other models and one of the factors contributing to the VantageScore model's stable predictiveness.

The VantageScore 3.0 model incorporates the most recent lending conditions by sampling those millions of consumer credit files to encompass data from both the volatile economic period of 2009-2011 and the more stable period of 2010-2012. Drawing on such a massive data set, over a blended timeframe, makes the VantageScore model extremely stable, with built-in confidence that the latest changes in consumer behavior based on economic shifts are accounted for in the model.

## Nearly identical risk alignment and superior score consistency

VantageScore models provide lenders with nearly identical risk assessment across all three CRCs and more consistent consumer scores.

VantageScore models are the only generic credit scoring models that recognize and adjust for disparities in the ways CRCs individually define or characterize stored data. For VantageScore models to perform as desired, consistent definitions had to be established for every characteristic that would eventually factor into the model. For example, a bank card could be defined in various ways, such as "credit card," "a secured card" or "retail card." Other score developers account for these discrepancies by custom-building separate models for each CRC—a practice that contributes to credit-score variance.

The VantageScore model achieves a one-model approach through a process called "characteristic leveling." Simply put, this process establishes consistent and equitable definitions for consumers' payment and credit management behavioral data across the three CRCs so that it is interpreted in the same way when present at multiple sources.

Higher score consistency across the three CRCs gives lenders greater confidence that consumers' scores accurately reflect their ability to repay loans. And it gives loan applicants a clearer picture of their creditworthiness.

## Fresh data

Another key component of VantageScore model development is that it is periodically rebuilt using consumer credit files reflecting the latest credit conditions and accounting for trends and shifts in consumer credit behaviors.

Dramatic shifts in consumer credit behaviors, underwriting standards and the types of credit products available over the last several years all point to the need for routine scoring-model updates based on the latest data. VantageScore Solutions publishes validation results annually to document that the model remains predictive, even in volatile economic conditions.

White papers that provide significant detail about factors relating to the model's design and changing consumer behaviors are available at [www.VantageScore.com](http://www.VantageScore.com) in the "Research" section, or by calling public relations representative Jeff Richardson at **203-363-2170**.

# How do lenders use VantageScore models?

**To streamline lending decisions.** Lenders use scores from VantageScore models in “cutoff” strategies designed to reduce the time needed for manual review of loan applications. A financial institution might, for example, only have its underwriters review mortgage applications from consumers with VantageScore credit scores above 700.

Lenders might also use the VantageScore model to automate tiered offers, using multiple cutoffs, a strategy known as risk-based pricing. For example, a lender might offer their most favorable lending terms or products to customers with VantageScore credit scores higher than 750, and provide a different offer, with adjusted terms (higher interest rate, additional fees, etc.) to customers with scores of 680-749. Other lenders’ different risk tolerances might use different cutoffs with different terms.

**To determine loan size.** Lenders frequently rely upon VantageScore models to help determine the amount of credit they will extend to consumers. Mortgage lenders will typically offer larger loans to those with higher VantageScore credit scores. With home equity lines of credit, where the home is also used as the collateral, those with higher credit scores also may qualify for larger loan amounts.

**In conjunction with proprietary credit scoring models.** Most large lenders have developed their own proprietary, or custom, credit-risk models. These custom models frequently use a generic credit score, such as those generated by the VantageScore model, as factors. For example, a lender might use a consumer’s VantageScore credit score plus other criteria such as income, geographic location and down payment amount to produce a custom credit score for use in approving loans and setting terms.

**To manage loan portfolios.** Lenders can periodically obtain the VantageScore credit scores of all their borrowers in order to understand the likelihood of default across their pool of outstanding loans. A lender may use this information to determine whether to increase or scale back lending or to shift focus to applicants with greater or lower risk profiles. For example, if the overall risk level in a loan portfolio has risen, the lender may scale back the number of loans it chooses to offer. Similarly, if the portfolio has gotten less risky the lender may offer more loans.

**For account management.** Lenders also use VantageScore credit scores for account management—monitoring individual borrowers and responding to their behavior. If a particular consumer’s credit score rises past a set threshold amount, for instance, a lender might extend additional credit. On the other hand, if a borrower’s credit score dips below a certain level, the lender might monitor the consumer’s account more closely, and, if a payment is a few days late, send a reminder letter that higher-scoring customers wouldn’t receive. Falling scores can even help lenders anticipate future borrower payment troubles, and allow restructuring of accounts to make on-time payments easier for borrowers and prevent them from becoming overextended on their debt.

**To market a credit product.** Lenders such as credit card issuers will focus marketing efforts at potential borrowers whose credit scores fall within certain ranges and may use the VantageScore model for this purpose. For example, certain cards with high credit limits might be offered to those with high credit scores, while other cards like secured credit cards might be offered to consumers with blemished credit records and lower credit scores.

# Patented technology

The U.S. Patent and Trademark Office has granted VantageScore Solutions several U.S. patents, providing intellectual property protection for the firm's methods and systems of characteristic leveling (U.S. patent 7,801,812 and 7,974,919), multi-credit reporting agency data modeling (U.S. Patent 7,930,242), and methods and systems for score consistency (U.S. Patent 8,055,579).

With traditional credit scoring models, inconsistent definitions of trade data are inherent across the credit reporting companies (CRCs). VantageScore Solutions' patented characteristic leveling yields consistent credit scores across CRCs when the same data is present. Moreover, many credit scores are generated via separate models for each CRC, which results in less consistent scores across the CRCs. The unique VantageScore model can be applied universally across all three CRCs, resulting in more consistent scores.

These four patents give lenders increased confidence of consistent credit decisions, regardless of the data source, and give consumers comparable risk assessment regardless of which CRC their financial institutions choose.

VantageScore Solutions also has several other technologies that are patent-pending.

# Regulatory awareness

Since its launch in 2006, the VantageScore credit scoring model has achieved widespread recognition within the regulatory community. Regulators have explicitly stated that choice in the credit score marketplace should be protected.

The VantageScore model has specifically been recognized by each of the following Federal regulators:

- Office of the Comptroller of the Currency
- Federal Housing Finance Agency
- National Credit Union Administration
- Federal Reserve Board
- Housing and Urban Affairs/Federal Housing Agency
- Federal Trade Commission
- Consumer Financial Protection Bureau

## FDIC Deposit Insurance Assessment

In 2012, a rule was enacted by the FDIC that changed the way large lenders define and calculate risk for their FDIC Deposit Insurance Assessment. One of the key changes is that the traditional three-digit credit score used to set its risk threshold was replaced with “probability of default” (PD), which is the likelihood a borrower will default expressed as a percentage. Based on the rule, the new definition for a higher-risk loan is one that has a 20 percent or higher probability of defaulting in two years.

The rule impacts a lender’s FDIC assessment, and it allows lenders to uniformly and easily assess risk regardless of their use of proprietary credit scoring models or the multiple generic credit scoring models now available in the market.

## Dodd-Frank

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act specifically named the VantageScore model in the amendment to Regulation V (Fair Credit Reporting).

# Online educational resources

VantageScore Solutions provides extensive online content, through several websites, for lenders, consumers, advocates and regulators interested in the VantageScore model and general credit scoring information. All websites are completely free and do not display advertising nor do the websites collect any personal data.

## VantageScore.com and YourVantageScore.com

**VantageScore.com** provides in-depth information for risk managers and explains how the VantageScore model is designed to provide highly predictive and consistent credit scores to millions more consumers. The website includes specialized white papers, thought leadership materials, webinars, videos and rich content for lenders interested in credit score model development and the VantageScore credit score model.

**YourVantageScore.com** is aimed at helping consumers understand credit scores and includes general educational information to aid improving their credit score. The easily navigable site includes easy-to-follow infographics that explain how the credit scoring process works. The website includes videos, FAQs, lesson plans for educators and all manner of educational materials for consumers.

## ReasonCode.org

A microsite associated with VantageScore.com, **ReasonCode.org** focuses on clarifying reason codes, the explanatory statements found in a variety of disclosure statements provided to help consumers understand why their credit score isn't higher. Reason codes also help consumers understand how information in their credit profiles influences those scores. The **ReasonCode.org** website elaborates on the short statements often found in the disclosures.

**ReasonCode.org** provides consumers with the following:

- A primer on what reason codes are and how they are used
- A searchable database of reason code statements, with longer explanations of each code and tips on how to address factors that lower credit scores
- A glossary of common reason code terms

## CreditScoreQuiz.org

VantageScore Solutions and the Consumer Federation of America, a nonprofit association of nearly 300 consumer groups that was founded in 1968 to advance the consumer interest through research, advocacy and education, have partnered to improve consumer knowledge about credit scoring.

As part of the partnership, in 2011 the two organizations launched **www.creditscorequiz.org**, a consumer-focused website that allows consumers to test their knowledge about credit scoring and receive the correct answers for each question as they progress through the quiz. Useful resources and real-time nationwide results are provided. Both the online quiz and a corresponding brochure are also available in Spanish at **www.creditscorequiz.org/Espanol**.

# Credit scoring primer

Credit scores are an increasingly important facet of everyday life. Not only do they play a significant role when a bank or credit issuer considers whether (and at what terms) to approve a consumer application for a mortgage, car loan or credit card, but they are increasingly used by non-lenders, such as cell phone companies and landlords, to help them determine whether they want to establish business relationships with consumers. Despite credit scores growing role in shaping our world, various industry studies in recent years have shown that credit scores are widely misunderstood.

Credit scores are generated by complex mathematical formulas, or models, which predict the likelihood an individual will default on a loan (defined as being 90 days or more past due on a loan payment). Credit scoring models interpret data reported by lenders and stored in consumer credit files. Credit files, maintained by the three national credit reporting companies (CRCs)—Equifax, Experian and TransUnion—reflect events in each consumer’s credit history: when and how much money each has borrowed, when (or if) they repaid those loans, and whether or not payments were made on time, among other data. The information found in the credit files is supplied by the lenders who have a relationship with each consumer.

Even one credit event, positive or negative, within a consumer’s credit pattern can impact a score. Late or missed payments, or more severe events such as account default or bankruptcy, will lower credit scores. And over time good credit habits such as timely payments and prudent borrowing can help even consumers with the most checkered credit history redeem their creditworthiness.

The consumer benefits of a good credit score go beyond the obvious. For example, underwriting processes that use credit scores allow consumers to obtain credit much more quickly than in the past. Credit scores also help promote objective lending standards—diminishing discrimination and human error. And credit scores also help promote responsible lending by matching the appropriate types of credit to consumers based on their risk profiles.

Perhaps most importantly, credit scores give borrowers an incentive to adopt better financial habits in order to receive the best terms and conditions from lenders.

Credit scores contribute to, but are not a substitute for, sound underwriting practices. As such, credit scores should be a part of any credit-approval process, but not the sole criterion. Credit scores provide lenders with consumers’ likelihood to default, based on previous behavior. They do not, and cannot, provide lenders with an indication of consumers’ ability to pay.

## Credit scores or score?

One of the most common misconceptions about credit scores is that everyone has just one. The truth is that consumers can be scored in many ways, as there are literally hundreds of different credit scoring models available to lenders. A financial institution may rely on one or even several different credit scoring models to gauge a consumer’s creditworthiness; some of the larger lenders even have their own proprietary models they use to help with credit decisions.

## How does scoring work?

Lenders typically obtain credit scores from a credit reporting company (CRC). The credit reporting company generates a score by running the credit data it has compiled on a consumer through a specific scoring model. Based on the data it has been fed, the model generates a credit score—typically a three-digit number, with higher values indicating lower risk.

Each scoring model has its own unique set of characteristics and weightings, and due to lenders providing the data, each credit reporting company has its own unique set of data on individual consumers. Differences among models' formulas and variations in content within credit reporting company databases explain why a person rarely will get the same credit score from two credit reporting companies. Indeed, it is why a universal credit score is a virtual impossibility.

With the VantageScore model, however, the variance among the scores generated by the three major CRCs on any one consumer is considerably reduced because the same credit scoring model is in place at all three major CRCs. Any remaining disparities with the VantageScore credit scores can be attributed to differences in database content.

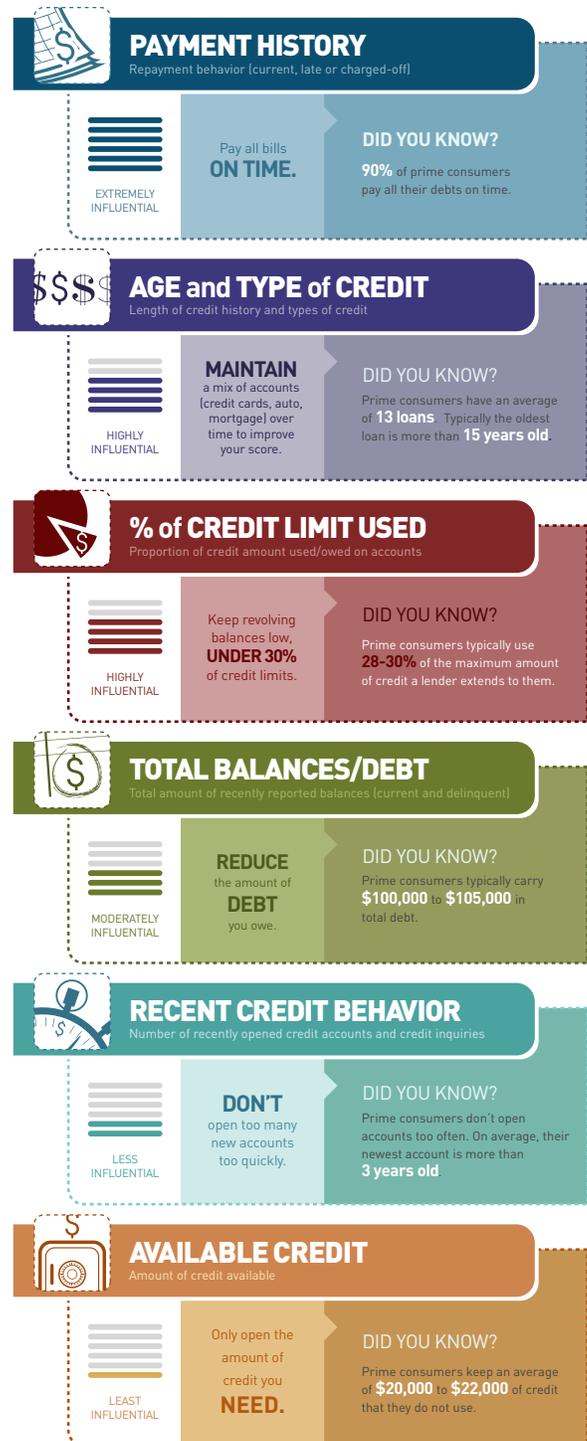
## What influences your VantageScore credit score?

Information in your credit files at the three national credit reporting companies is used to calculate your VantageScore credit score. This information can be grouped into six categories, but not every category carries the same weight in your score. Read the chart to the right to understand each category, its weight in your score compared to the other categories and tips you can use to manage your credit wisely.

**An explanation of "prime:"** While every lender makes its own credit decisions, a prime VantageScore credit score would range from 661-780.

## What isn't included in your VantageScore credit score?

There are many misconceptions about credit scores. One of the most important to understand is what information the VantageScore model, or any credit scoring model for that matter, do NOT use. The VantageScore model does not consider: race, color, religion, nationality, sex, marital status, age, salary, occupation, title, employer, employment, history or where you live.



# Consumer FAQs

## What is a credit score?

A credit score is a number derived through a complex mathematical formula that predicts the likelihood of whether or not a consumer will fail to pay (90 days late or greater) on a credit account in the future. The credit score is generated from a variety of credit-history-related elements, such as a person's history of payment punctuality, the total amount of available credit, the total amount and type of debt, the number of open and active accounts, and the longevity of relationships with creditors. Banks, credit card companies and other lenders use credit scores—often with other information such as income and down payment amount—to assess a borrower's loan eligibility and set loan/credit terms.

## How can a consumer determine whether the information used to generate their score is accurate?

The Fair Credit Reporting Act grants consumers the right to a free copy of their credit report once a year from each of the three national credit reporting companies. VantageScore Solutions encourages consumers to review the information in their credit files on a regular basis.

## How does a consumer obtain a copy of their credit report?

Consumers can obtain a free copy of their credit reports once a year from each of the three national credit reporting companies at [www.annualcreditreport.com](http://www.annualcreditreport.com) or by calling 1-877-322-8228.

## Who should a consumer contact if there are errors on their credit report?

Each of the three major credit reporting companies (CRCs)—Equifax, Experian and TransUnion—has a system in place for addressing errors contained in consumer credit files. Consumers should contact the CRC that provided the report in question.

**Equifax:** [www.equifax.com](http://www.equifax.com)

**Experian:** [www.experian.com](http://www.experian.com)

**TransUnion:** [www.transunion.com](http://www.transunion.com)

## How can consumers get their credit score?

It is important to note that there are many credit scoring models available to lenders on the market, all of which generate unique consumer scores. Each of the three CRCs makes scores available for a fee.

## Why do consumers have more than one credit score?

The primary reason that consumers do not have one universal credit score is that there is more than one credit scoring model on the market being used by lenders and the three CRCs. Simply put, different models have different scoring criteria, which ultimately generate different results.

Also, the consumer credit data maintained at each of the three CRCs is not the same due, in part, to the fact that not all lenders report information to all three and, if they do, information may not be reported at the same time to all three. Since credit scores are based on the consumer credit data in a credit file, a consumer's score may vary from each CRC. The VantageScore model will minimize score variance because the underlying scoring model itself is consistent across the three CRCs.

## How can consumers obtain their VantageScore credit scores?

Consumers interested in obtaining their VantageScore credit score should contact the CRCs directly for additional information:

**Equifax:** [www.equifax.com](http://www.equifax.com)

**Experian:** [www.experian.com](http://www.experian.com)

**TransUnion:** [www.transunion.com](http://www.transunion.com)

### Why did a consumer receive a free credit score if they were approved for credit?

Many lenders will use a consumer's credit report and/or credit score to determine interest rates they will charge when approving consumers for credit. Generally, consumers with a higher credit score will receive better interest rates than those with lower credit scores. The Federal Reserve Board and the Federal Trade Commission want to make sure that consumers know that lenders use this approach to determine the price they charge for credit. So, since 2011, they have required lenders to notify consumers who aren't offered the best rates and terms available about the lender's practice of using different pricing levels for different consumers based on credit data if the consumer did not receive the lender's best rates and terms. In lieu of this notification, the regulation states that lenders can provide all consumers who are approved for credit with a free copy of whichever credit score the lender used to make their pricing decision.

### What can consumers do to improve their VantageScore credit score?

Improving a credit score can be achieved over time by regularly practicing these sound financial management techniques:

1. Pay bills on time.
2. Apply for credit only when it's needed; do not open new accounts frequently or open multiple accounts within a short time span.
3. Keep outstanding balances low and know your credit limit on each account—a good rule of thumb is not to exceed 30% of your available credit limit with each account.
4. Pay any delinquent (past due) accounts as soon as possible and then keep them current.

### Will consumers who request a copy of their credit report impact their VantageScore credit score?

No, consumers requesting copies of their personal credit reports will not impact their VantageScore credit score.

### Do other parties' inquiries impact consumer VantageScore credit scores?

Other parties' inquiries can have a potential impact but are generally not significant, particularly in the case of a consumer with a strong credit history. Inquiries that are not related to new debt requests or were not consumer-initiated (such as a lender looking to make a preapproved credit offer) have no adverse impact on an individual's VantageScore credit score.

### What's the story with the VantageScore Scale?

The VantageScore 1.0 and VantageScore 2.0 models used a scale range of 501-990. The VantageScore 3.0 model uses a new scale 300-850—accommodating lenders' automated systems already designed to accept credit scores in the 300-850 range, and conforming to that scale simplifies adoption and implementation of VantageScore 3.0. Consumers are also more familiar with the 300-850 score range.

### Previous scale and VantageScore 3.0 equivalents

VantageScore 2.0	VantageScore 3.0
501-570	300-508
571-590	509-527
591-610	528-545
611-630	546-563
631-650	564-581
651-670	582-599
671-690	600-617
691-710	618-635
711-730	636-654
731-750	655-672
751-770	673-690
771-790	691-708
791-810	709-726
811-830	727-744
831-850	745-762
851-870	763-780
871-890	781-799
891-910	799-817
911-930	818-835
931-990	835-850

This conversion table allows easy translation between VantageScore credit scores provided by each model. Note that the conversion only works for VantageScore credit scores, not other models that use a 300-850 scale.

# Lending industry FAQs

## **Who is the company behind the VantageScore model?**

The VantageScore model was developed jointly by the CRCs in response to market demand, using innovative modeling techniques and based upon their deep industry and data knowledge. The VantageScore model is independently marketed and sold through each CRC via licensing arrangements. VantageScore Solutions, LLC, is an independently managed company, holds all the intellectual property rights to the VantageScore model, and is responsible for the newest VantageScore models, including the VantageScore 3.0 model as well as each annual validation.

## **Why did the three CRCs collectively develop the VantageScore model?**

The development of the VantageScore model was prompted by market demand. In addition to a credit scoring model that reflected more recent changes in consumer credit behaviors, lenders sought a model that delivered consistent, predictive power across all three CRCs.

Prior to the launch of the VantageScore model, generic credit scores varied across the three CRCs because data was interpreted under different scoring methodologies. While there will still be some score variation with the VantageScore model due to differences in the data provided to the individual CRCs for each consumer file, the gaps among the results generated via the VantageScore model are reduced because the credit scoring model itself and the underlying credit characteristics in the model are the same at all three CRCs.

## **Will there now be just one consistent score per consumer across the three CRCs?**

No. While the three CRCs can now generate scores using the same underlying credit scoring model, differences in the actual scores are to be expected because each CRC maintains its own consumer credit files, which may vary. Consumers' files at each CRC can vary because credit grantors can choose which CRC they provide consumer payment data to and the timing for when they provide that information.

## **How was the VantageScore model developed?**

The VantageScore credit score model was developed by a representative team of statisticians, analysts and credit data experts from each of the CRCs. The VantageScore 3.0 model was later developed using approximately 45 million anonymous credit files. Data, which was pulled equally from the three CRCs, included public record information, collections information, tradeline data and inquiries.

## **When was the VantageScore model developed?**

Development work began in July 2005; it was introduced to the marketplace in March 2006. In 2010, VantageScore Solutions introduced VantageScore 2.0, an updated model. And in 2013, VantageScore Solutions developed a new model, VantageScore 3.0, leveraging the core VantageScore platform to deliver improved predictive performance.

## **Does the availability of the VantageScore model mean that the CRCs will no longer continue to independently develop the proprietary credit scores they had been marketing in recent years?**

Although jointly developed, the VantageScore model is marketed and sold independently by each of the CRCs. Each CRC will individually continue to make its own decision regarding proprietary credit scores.

## **Who will be the primary market for the VantageScore model—consumers or business clients?**

The VantageScore model was created to address needs in the business and consumer credit marketplaces. However, each CRC will distribute the VantageScore model in a way that is consistent with its own business strategy, which may include both business clients and consumers.

**What does this mean for the continued existence of the credit scores that the three CRCs have developed and marketed individually for the past few years? Will these scores continue to be sold?**

The VantageScore model provides a new and unique option to the marketplace. There will continue to be multiple scoring solutions in the market designed to meet varying business needs. The VantageScore model will compete on the merits of its consistent, predictive power and its ability to provide a score to more people.

**Will each CRC sell the same score? Will there be any variations from company to company?**

With the VantageScore model, the same model is used across all three CRCs. Differences in scores will occur when the underlying data content is different. Each CRC will sell VantageScore credit scores independently according to its own unique marketing strategy and positioning in the marketplace.

**How will VantageScore credit scores be priced?**

The VantageScore model is marketed and sold independently by each of the CRCs through individual licensing arrangements. Each CRC will set its own prices according to its individual business goals and marketplace objectives.

**Our lending company is interested in learning more about VantageScore. Who do I contact?**

The VantageScore model is marketed and sold independently by each of the CRCs through individual licensing arrangements with VantageScore Solutions, LLC. Lenders and other commercial entities interested in learning more about the VantageScore model or credit scores may contact one of the CRCs listed below for additional assistance:

### Equifax

To learn about the VantageScore model from Equifax, please contact your local Equifax representative. Call **1-888-202-4025** or visit [www.equifax.com/vantagescore](http://www.equifax.com/vantagescore).

### Experian

To learn about the VantageScore model from Experian, please contact your local Experian representative. Call **1-888-414-1120** or visit [www.experian.com/vantagescoreforlenders](http://www.experian.com/vantagescoreforlenders).

### TransUnion

To learn more about the VantageScore model from TransUnion, please contact your local TransUnion representative. Call **1-866-922-2100** or visit [www.transunion.com/corporate/VantageScore/index.html](http://www.transunion.com/corporate/VantageScore/index.html).

# Media contact information

VantageScore Solutions frequently issues news releases and other media communications, including corporate announcements, research and other important announcements. Media interested in receiving this information or arranging interviews with VantageScore Solutions management should contact:

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