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From Main Street to LendStreet — a lending platform success story

R. Jerry Nemorin | LendStreet

David Coates | Experian

Robert Stone | Experian

Presentation agenda



- 1 LendStreet overview**
R. Jerry Nemorin, Founder and CEO of LendStreet
- 2 Experian solution: Strategy design consulting**
Robert Stone, Senior Business Consultant
- 3 Experian solution: Instant credit through Decisioning as a ServiceSM**
David Coates, Client Services Director
- 4 Experian solution: Client benefits**
- 5 Q&A**

LendStreet overview: Lending a path to financial recovery

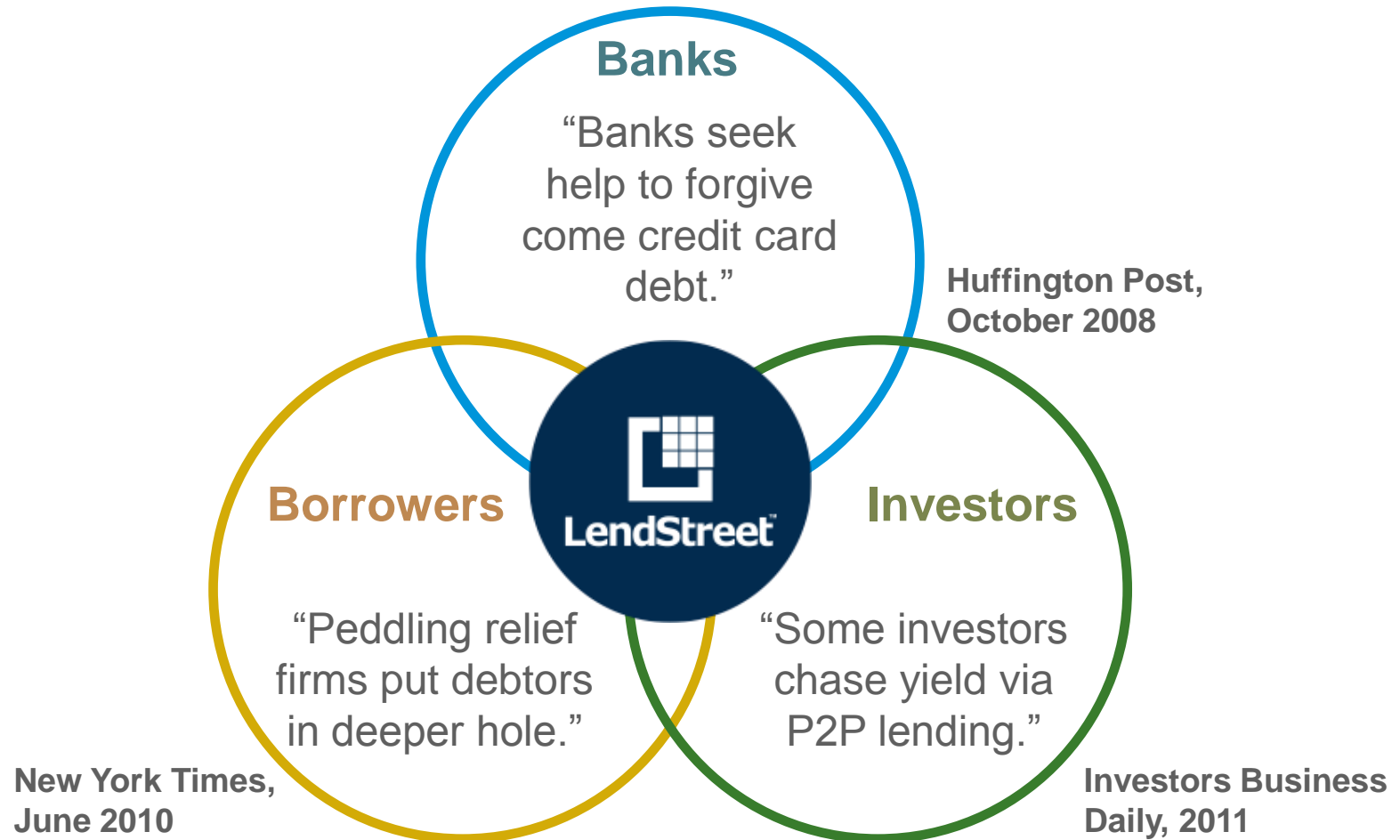
R. Jerry Nemorin
Founder and CEO



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The problem today



Meet Betty

- Single mother
- Full time + part time job
- Cause of shock – ailing son
- Resigned from part time job to care for ailing son
- Credit card debt of \$15,000 @ 20% interest rate
- Account status: charged-off
- Seeking relief + credit rebuild

Limited options – credit counseling, debt settlement, payday loans

Mother of two from Charlottesville, VA

Historically good credit score



The solution




The solution



The competitive advantage



		Credit counseling	Debt settlement	Peer-to-peer lending
Reduce principal	✓		✓	
Reduce interest	✓	✓	✓	✓
Reduce fees	✓	✓	✓	
Improve payment rate	✓	✓		✓
Improve credit	✓	✓		✓
Limits access to more debt	✓	✓		
Future access to capital	✓			✓
Estimated costs	Up to 10% of restructured debt amount	\$75 enrollment + up to \$50 monthly	15%–20% of debt	Up to 5% of loan amount

The competitive advantage



**Financial literacy
and budgeting**

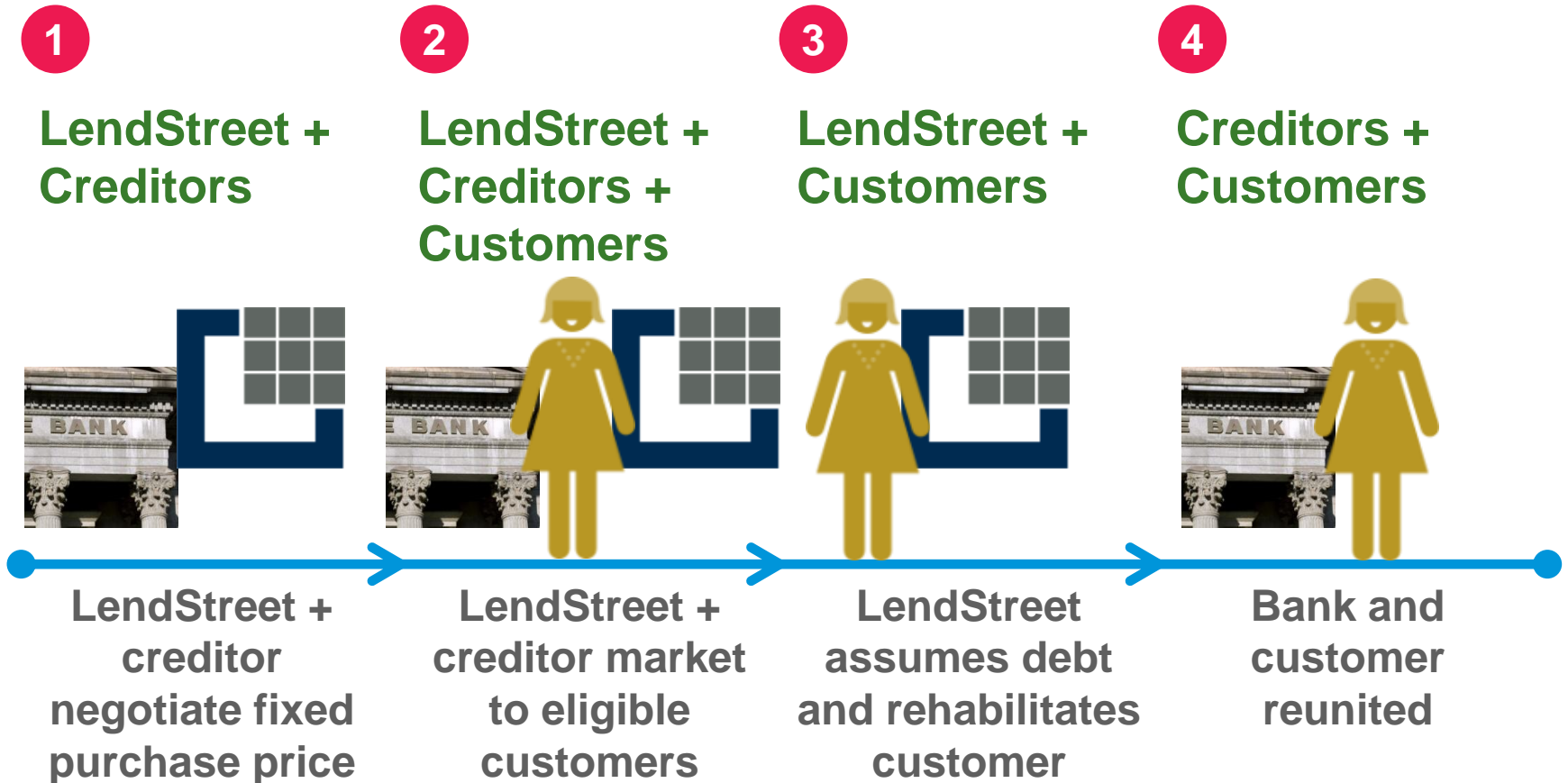


**Flexible payment
and monetary
incentives**

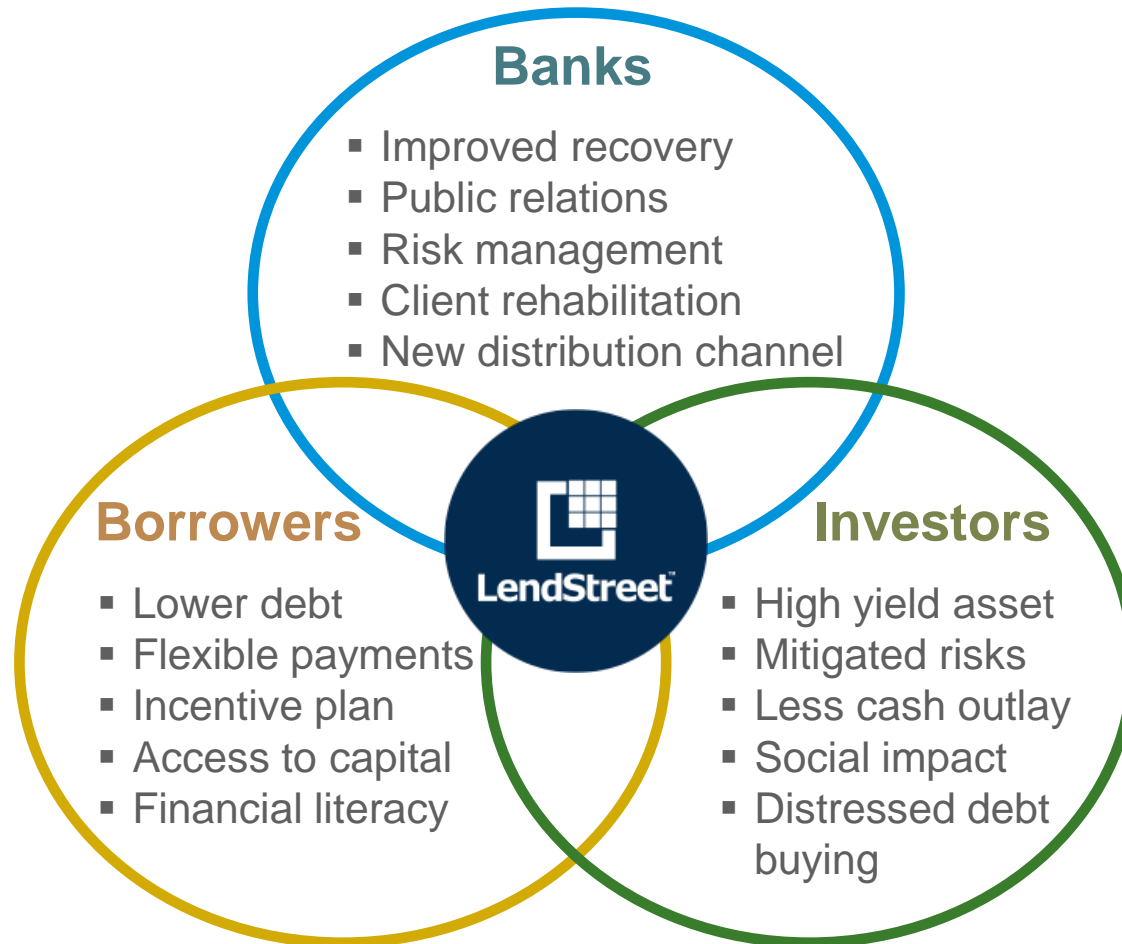


**Community
support**

Creditor partnership + customer rehabilitation



Summary / value proposition



Experian solution: Strategy Design Consulting

Robert Stone
Senior Business Consultant



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Experian solution

Integrated approach

Recovery and debt settlement

Data

- Credit history
- Debt
- Income / assets
- Triggers / trends / migration



Models

- Generic
- Custom
- Risk
- Recovery



Systems

- Decisioning as a ServiceSM instant credit solution



Consulting

- Strategy Design Consulting utilizing expert design approach



Optimal

- Launch strategy and decisioning

Recovery and debt settlement

Strategy Design Consulting

- LendStreet was new to strategic decisioning and implementing a new decisioning system
- LendStreet needed practical advice, guidance and hands-on design of decisioning segmentation strategies and associated actions in support of their strategic goals and key performance indicators
- Experian offered Strategy Design Consulting in order to meet LendStreet's needs



Strategy Design Consulting Overview

- In the absence of LendStreet's own data and experience, Experian was able to design an initial set of strategies based upon an expert design leveraging its deep industry experience, data, reporting, analytics and consulting
- Strategy Design Consulting provided direct input into writing the Decisioning as a ServiceSM set-up form and delivery and implementation of the software to enable the decisioning strategies to be deployed in real-time



Strategy Design Consulting Process

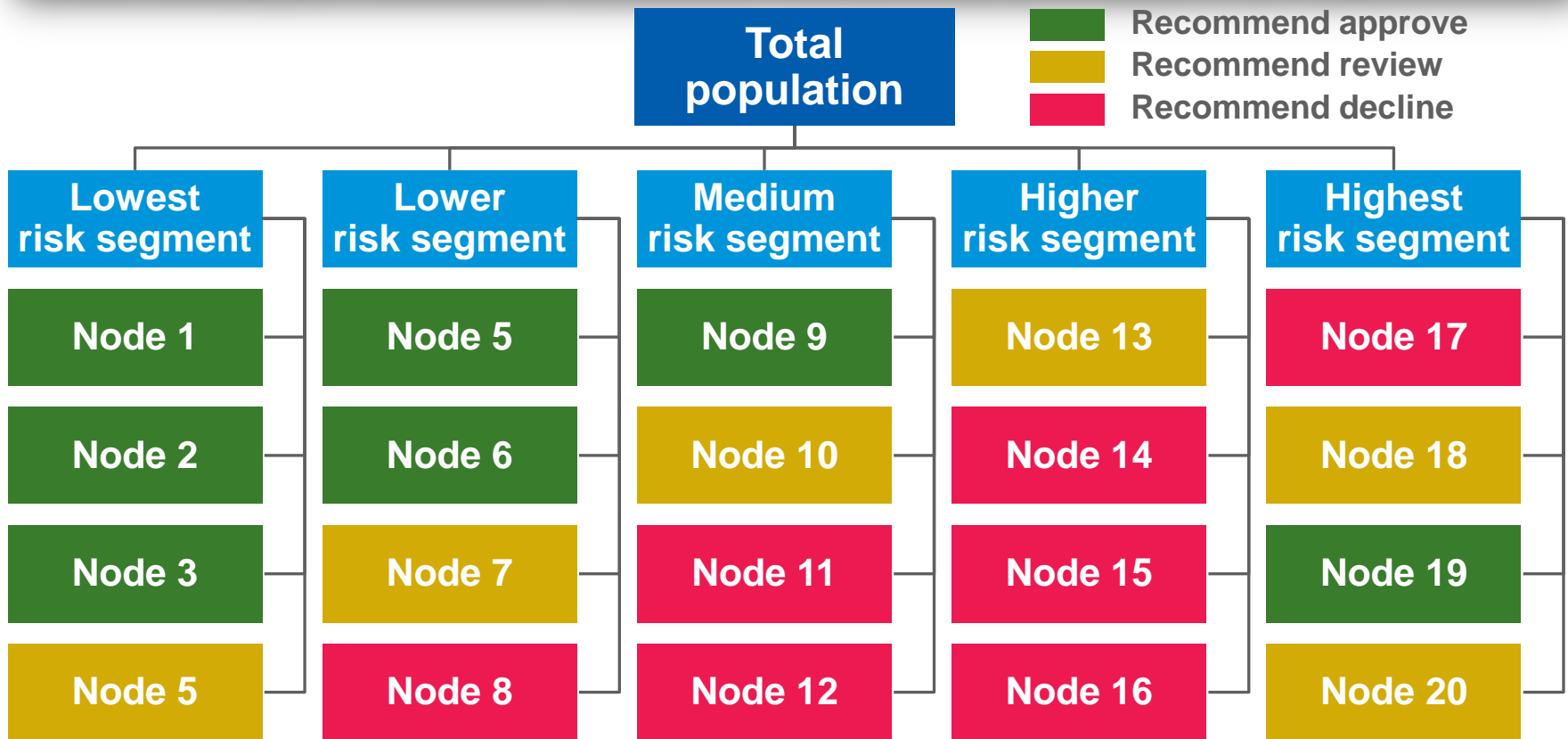
- Initial meeting/call with LendStreet to explain the process and determine the scope of the engagement
- Ongoing, iterative calls and meetings with LendStreet to agree on goals and key performance indicators for the strategy, to gather detail for applicable segmentation trees and actions and discuss preliminary results
- Delivered strategy design document to client (in Excel but can be Word or PowerPoint) outlining detailed segmentation trees and actions per defined scope



Strategy Design Consulting

Deliverable

Final strategies document (decision tree(s) and actions) to be implemented



Strategy Design Consulting

Stages of development

Expert design

Best practices domain industry experience gained from helping clients design decisioning strategies around the globe

Introduction of new variables, enhanced decision trees and scoring models to existing basic segmentations

Empirically derived

Enhanced use of simulation and reporting to refine existing decisioning strategies

Introduction of multiple challenger strategies and champion / challenger approach and methodologies

Data driven

Introduction of statistical tools to enhance strategy design tree structure

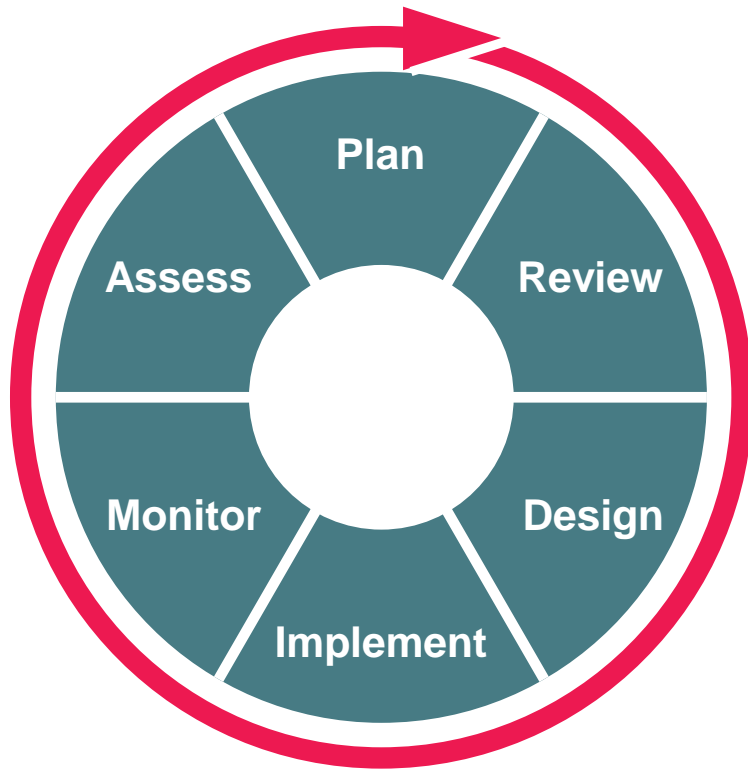
Combination of math, science and industry domain expertise

Optimization

Introduction of new approaches and technology to make the most profitable decision for each customer decision

Move towards the optimization of each action to take for a customer

Strategy Review Consulting Overview



- 1. Plan** Define strategy objectives and goals
- 2. Review** Assess performance of current champion or challenger strategy
- 3. Design** Develop new challenger strategies
- 4. Implement** Ensure operational deployment of strategies
- 5. Monitor** Track performance against expectations
- 6. Assess** Understand results of strategy performance

Experian solution: Instant credit through Decisioning as a ServiceSM

David Coates
Client Services Director



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Experian solution

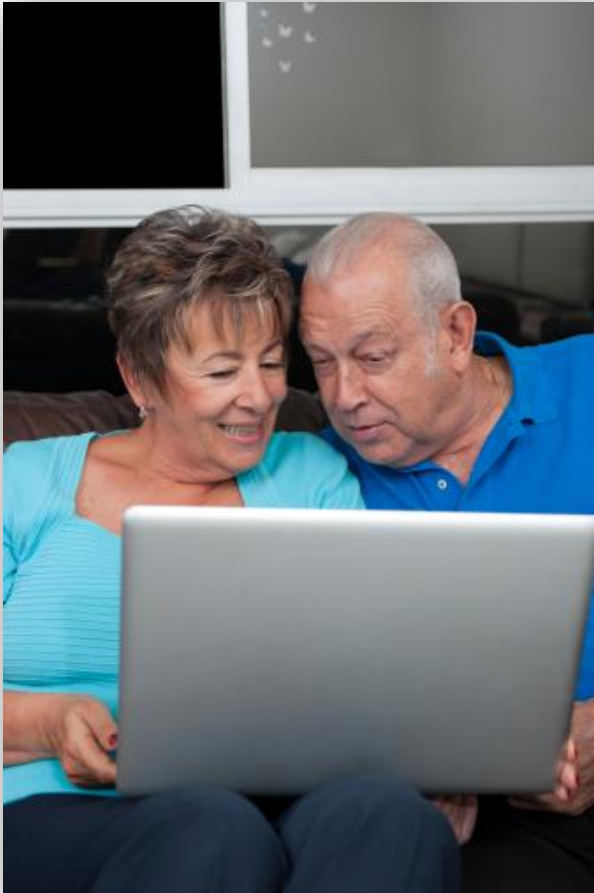
Instant credit through Decisioning as a ServiceSM

- LendStreet uses Experian's Decisioning as a ServiceSM
- Retrieves and calculates:
 - ▶ Experian bureau report
 - ▶ VantageScore[®]
 - ▶ Bankruptcy WatchSM
 - ▶ Fraud ShieldSM
 - ▶ Premier AttributesSM
 - ▶ Additional proprietary scores
- Executes LendStreet's decisioning logic using Strategy ManagementSM
- Returns data, attributes, scores and decisions in real-time



Instant credit through Decisioning as a ServiceSM

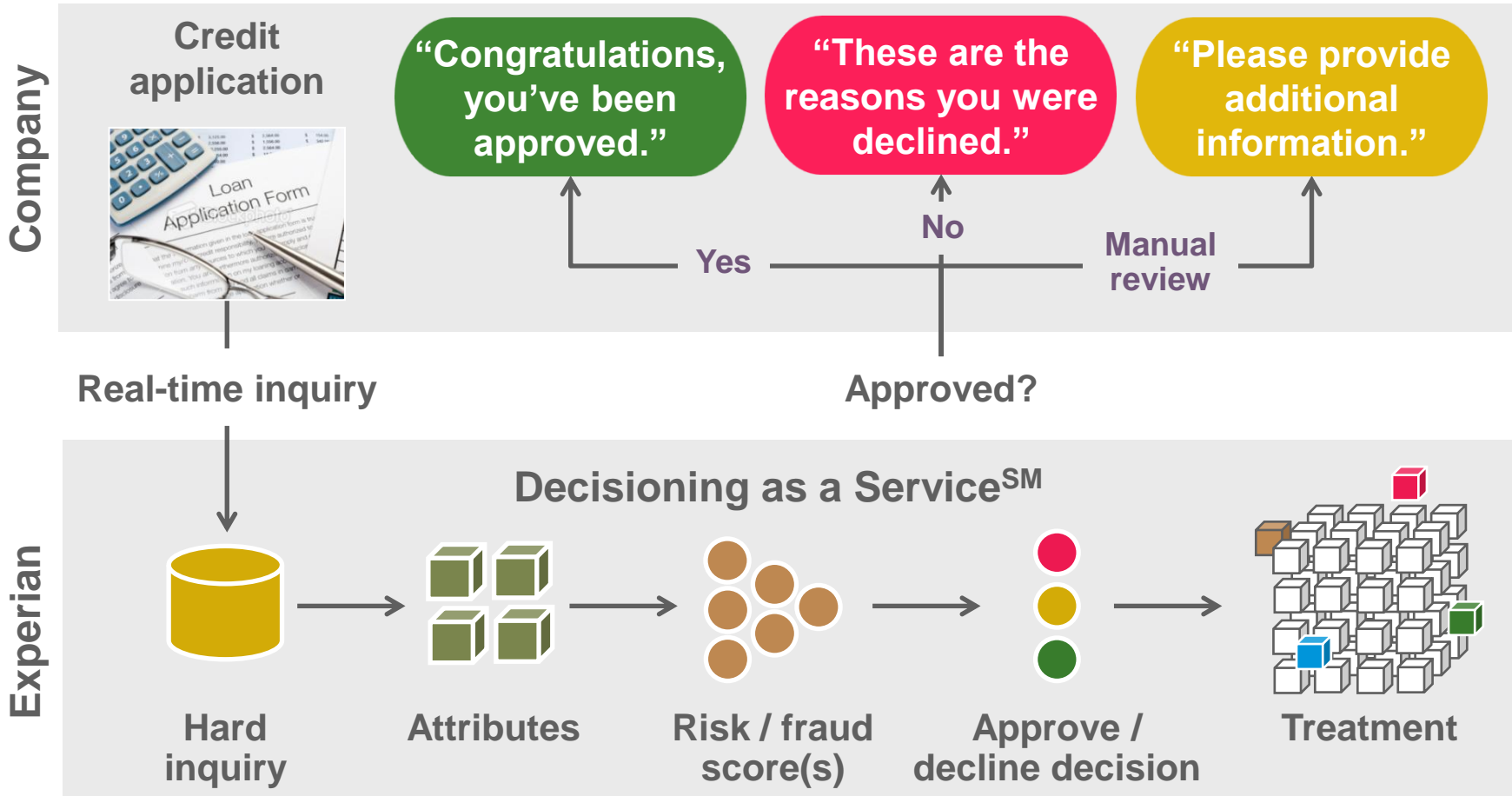
Features and functionality



- Flexible decision criteria-based on Experian's Premier AttributesSM
- Streamlined on-boarding
- Uses Experian's VantageScore[®] and Bankruptcy WatchSM models
- Supports custom text for decisions
- Supports multiple levels within an "approve" response

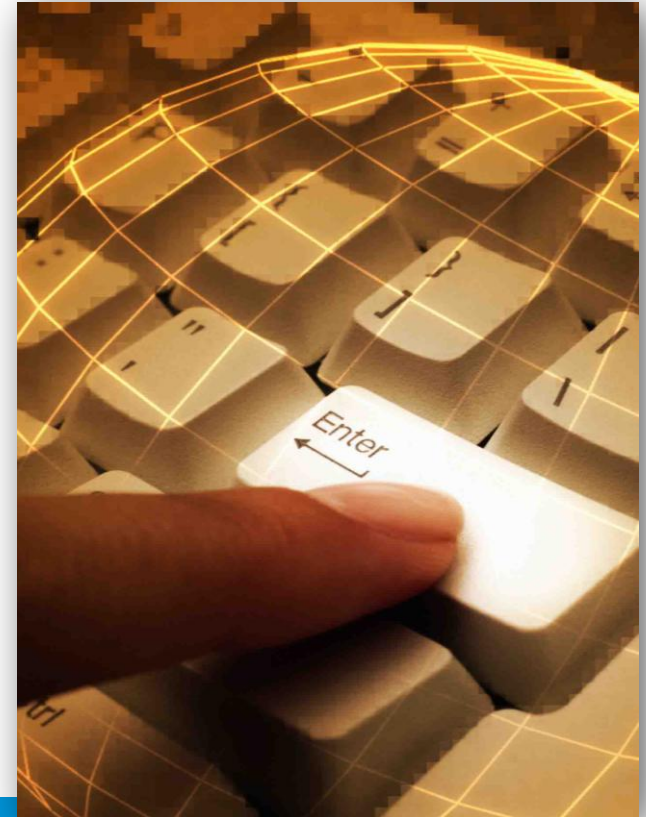
Decisioning as a ServiceSM

Instant credit



Decisioning as a ServiceSM Connectivity

- Connect to Decisioning as a ServiceSM with:
 - ▶ Secure Internet options
 - ▶ Direct connect options
- Connections from multiple sources supported:
 - ▶ Call centers, branches
 - ▶ Point of sale
 - ▶ Web sites and kiosks for customer self-service
- LendStreet chose to connect through Net Connect for transaction processing



Decisioning as a ServiceSM

Improved decisioning in 30 to 60 days



Experian solution

Client benefits



- Cost effective and timely:
 - ▶ LendStreet's pilot launched end of the first quarter of 2012
 - ▶ Minimized initial investment
- Client leveraging industry leading best practices

Questions? Answers





For additional information, please contact:

Robert.Stone@experian.com

Vision Expert Annex

Open every morning, afternoon and during session breaks

- Meet session speakers
- Gather information on Experian products and services
- Request research and complimentary materials
- Schedule one-on-one meetings with Experian experts



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