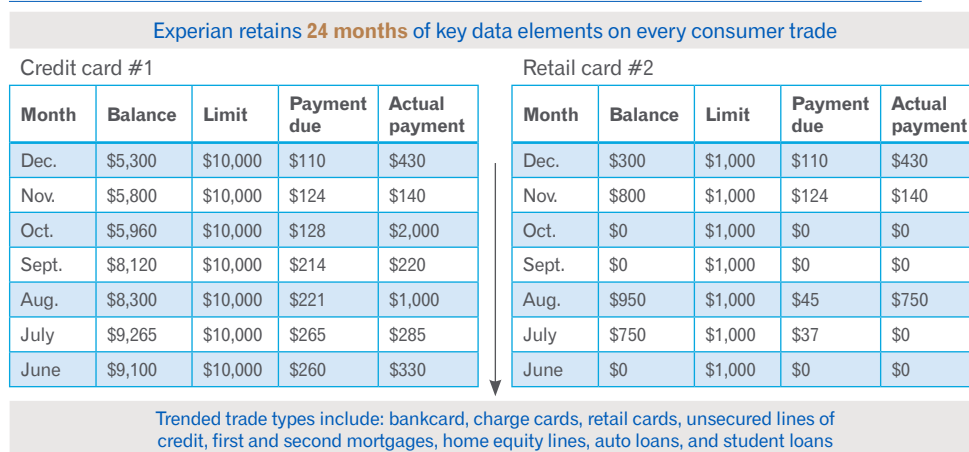# Trended Solutions

Part one — credit risk

What is trended credit data?

It is much more than payment history. When basic principles are applied against a broader set of historical data, important consumer behaviors are apparent, and these behaviors can be integrated into decision strategies like any piece of criteria or credit attribute. Trended data can reveal a consumer's profitability and risk beyond any existing model.

Figure 1: What is trended credit data?

Experian retains **24 months** of key data elements on every consumer trade										

Credit card #1

Month	Balance	Limit	Payment due	Actual payment
Dec.	$5,300	$10,000	$110	$430
Nov.	$5,800	$10,000	$124	$140
Oct.	$5,960	$10,000	$128	$2,000
Sept.	$8,120	$10,000	$214	$220
Aug.	$8,300	$10,000	$221	$1,000
July	$9,265	$10,000	$265	$285
June	$9,100	$10,000	$260	$330

Retail card #2

Month	Balance	Limit	Payment due	Actual payment
Dec.	$300	$1,000	$110	$430
Nov.	$800	$1,000	$124	$140
Oct.	$0	$1,000	$0	$0
Sept.	$0	$1,000	$0	$0
Aug.	$950	$1,000	$45	$750
July	$750	$1,000	$37	$0
June	$0	$1,000	$0	$0

Trended trade types include: bankcard, charge cards, retail cards, unsecured lines of credit, first and second mortgages, home equity lines, auto loans, and student loans

What does trended credit data reveal?

Figure 2 (on the next page) reveals how a trended view differentiates consumers who appear to have similar credit risks. Imagine these two consumers apply for a loan — both have the same risk score, the same revolving balances and neither has been delinquent. Should risk and marketing models treat them identically? Looking back over time would suggest significant differences in their ability to pay, their risk and the credit products they would be interested in. Integrating trended data to quantify these differences will support differentiated lending, pricing and product decisions. For example, given the insight that these trends provide, how might you change your credit decision, your pricing, your credit limits, your product offer?