

Trended Solutions

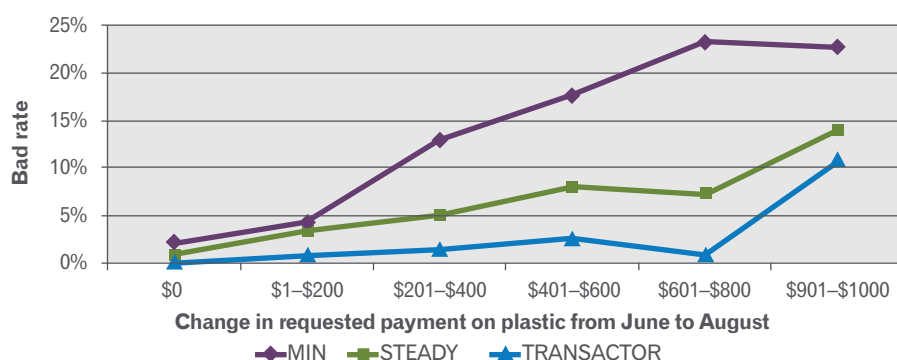
Trended data and payment stress

In addition to identifying balance changes, you can also capture the trend of a consumer's payment history.

Using actual payment data allows lenders to segment consumer risk more effectively. Experian® conducted an analysis that grouped consumers based on how they paid their credit card balances — minimum payers (“MIN payers”) paid up to five percent of their balance, “STEADY payers” paid between five percent and 99 percent of their balance and “TRANSACTOR payers” paid their balances off in full.

As indicated in Figure 4, MIN payers have limited capacity to assume additional payment obligations on credit cards. On the other hand, TRANSACTOR and STEADY payers are less likely to default as they take on more card debt. This key piece of information is not captured in today's generic risk scores.

Figure 4: MIN payers default more frequently because they are unable to manage increased payment obligations.



- MIN payers have a limited capacity to take on additional payment obligations
- TRANSACTOR and STEADY payers are less likely to be impacted