

How To Read Fair, Isaac Odds Charts

Defines the population of interest

Defines the negative behavior of interest within a population

Defines how scores will be used

Fair, Isaac Odds Chart

Base Category:
Existing Bank Revolving Accounts

Negative Performance Category:
90+ Days/Other derogatory

Application:
Account Management

| Score Range | Base Category | | Negative Performance | | % Negative to Base | Odds (Value to One) |
|--------------|-----------------|--------------|----------------------|--------------|--------------------|---------------------|
| | # of Records | Cumulative % | # of Records | Cumulative % | | |
| < 550 | 15,587 | 2.7 | 7,244 | 26.2 | 46.5 | 1.2 |
| 550 — 599 | 22,084 | 6.5 | 5,916 | 47.6 | 26.8 | 2.7 |
| 600 — 609 | 5,791 | 7.5 | 1,068 | 51.5 | 18.4 | 4.4 |
| 610 — 619 | 6,739 | 9.8 | 1,111 | 55.5 | 16.5 | 5.1 |
| • | • | • | • | • | • | • |
| • | • | • | • | • | • | • |
| • | • | • | • | • | • | • |
| 780 — 799 | 42,063 | 88.7 | 143 | 99.4 | 0.3 | 293.1 |
| 800 > | 71,595 | 100.0 | 155 | 100.0 | 0.2 | 460.9 |
| Total | 587,646* | 100.0 | 27,685 | 100.0 | 4.7 | 20.23 |

Number of records from the defined base category in each score range

Number of records displaying the defined negative performance category

Percentage of the number of negative records to the number of base category records

Ratio of base category records NOT exhibiting the particular negative performance to those that do

Summarizes the Fair, Isaac credit bureau scores into ranges

Cumulative percentage of records (up to and including a given score range) to the total base category

Cumulative percentage of records (up to and including a given score range) to the total number of records displaying the negative performance

Selecting an odds chart that will work for you

Credit bureau score odds charts, produced from actual development or redevelopment samples, show how the scores work on specific populations. These charts display the odds of poor performance observed at a given score, and can be very helpful as a starting point in setting risk strategies.

Odds charts reflect the experience of many credit grantors combined. The following tips will help you select the chart that most closely reflects the performance of your portfolio. Your own credit experience may be somewhat different.

Each chart is specific to an industry, performance, and application. See the prior page for an example.

The “Base Category” refers to the industry or credit type. Select a base category which most closely corresponds to your lending environment. Odds charts are currently available for the following credit types:

BEACONSM: Bank Revolving • Bank Installment • Auto Finance •
Personal Finance • Retail • and many others

The “Negative Performance” category is the negative behavior of interest. You can choose odds charts that show the relationship of score to odds of serious delinquency, charge-off, or bankruptcy.

“Application” refers to how the bureau scores will be used; that is, for new account approval or for account management. The odds charts used for new account approval display the performance of consumers who obtained credit, in the base category industry, within a short time period after the date of scoring. Keep in mind that the odds charts reflect the performance of consumers who have been recently approved for credit, and do not include those who were not approved for credit in the same time frame (those recently approved for credit are generally better credit risks than the applicant population as a whole so they would tend to score higher). The odds charts used for account management display performance information about consumers with existing accounts at the time of scoring. Only those consumers with an open tradeline in the base category before the scoring date are included in account management odds charts.

When selecting the appropriate odds chart, keep the options above in mind.