

# The importance of Alternative Credit Data for lenders.

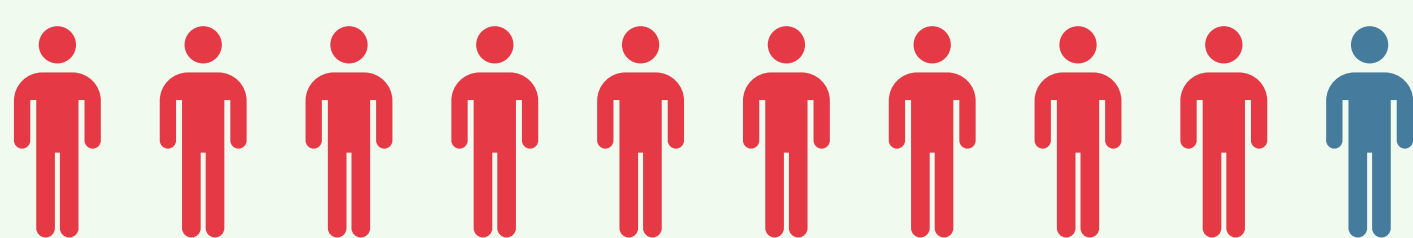
Alternative consumer credit data offers information about consumers, specifically credit applicants, that does not appear on traditional credit reports.

This information includes things like utility payments, telecom payments, banking account transactions (savings and checking), Netflix payments, rental payments, and similar types of recurring monthly payments that do not appear on standard credit reports.

The information contained on alternative consumer credit reports can be instrumental in helping people who are “under banked” or who utilize traditional credit sparingly, also known as “thin file” applicants get the credit they deserve rather than what nameless, faceless bureaus suggest they warrant. It can also help businesses gain access to new credit customers that would otherwise be unavailable to them.

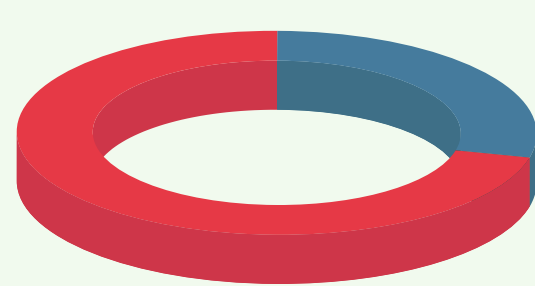
## Here’s what you need to know about alternative consumer credit data and what it can mean for your business.

Consumers are comfortable using alternative credit factors



**9 out of 10**

loan and credit card applicants provide non-traditional data to lenders.



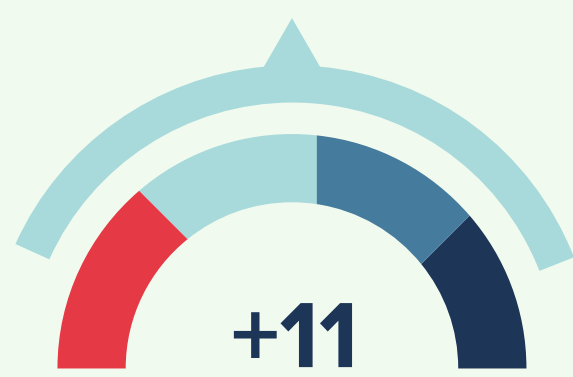
**3 out of 4**

believe their credit scores do not accurately reflect their value as borrowers.

Alternative data allows lenders to look beyond temporary hardships, like financial hardships related to COVID-19, for a broader view of overall stability and resiliency of would-be borrowers in a way that traditional credit reports do not allow.

**11+ points**

for consumers that include alternative credit reporting information in their credit application.



**89% of lenders**

agree that using alternative consumer credit data allows them to serve more consumers by extending them credit.



An added benefit for many consumers when using alternative data for credit scores is that it helps them move from one scoring band to another, such as from fair credit to good credit, allowing them to enjoy better interest rates and terms.



### Alternative credit data

removes many obstacles that prevent underbanked consumers from obtaining credit cards or loan approvals.

### Usage is growing

so much so that it is also experiencing greater regulatory scrutiny and greater attention from lenders.



### Cost-effective for creditors

in examining a consumer’s creditworthiness and allowing you to pass on some of the savings to consumers.

### For businesses and consumers

alternative credit reporting works for small businesses seeking credit as well as it does for consumers.

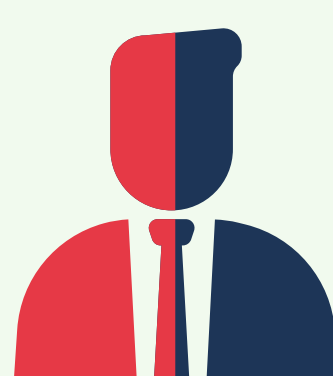


**72% of lenders**

use some form of alternative data when making credit decisions.

**56% of consumers**

believe the use of alternative credit data will be more convenient, which makes it more appealing.



The world is changing and big data means financial institutions can dive deeper into a consumer’s credit use and spending habits. Using alternative consumer credit information to make credit decisions for your business can offer you a wider customer base to draw from, the opportunity to make better-informed decisions about extending credit. As more businesses embrace the options alternative credit reporting affords, it will become increasingly necessary for other businesses to come on board or get left behind by more forward-thinking competitors.