In FICO's quarterly survey of bank risk professionals, bankers expressed optimism that lending for small businesses would accelerate over the next six months. By more than a two-to-one margin, respondents said that both the approval rate for small business loans and the total amount of credit extended to small businesses would increase rather than decrease, and more than half of all respondents predicted the overall supply of small business credit would meet demand.

The survey, conducted for FICO by the Professional Risk Managers' International Association (PRMIA), found continued concern among bank risk professionals about the student debt crisis, and respondents said the supply of new home loans will barely keep pace with demand amidst signs that the housing marketing is beginning to rebound.

Consumer credit: Returning to normalcy
After several years of uncertainty in the consumer credit market, this was the second consecutive quarter in which the FICO survey found that bankers expected delinquency rates on every type of consumer loan except student loans to remain flat or decrease.

However, a majority of respondents (61 percent) expected delinquencies on student loans to increase. This is the fourth consecutive quarter that respondents have predicted a worsening of student loan delinquencies.

"The concerns about student loans align with research we recently conducted that found, among all Americans with student loan debt, the size of that debt increased by 54 percent between 2005 and 2012," said Dr. Andrew Jennings, chief analytics officer at FICO and head of FICO Labs. "During a time when consumers have been deleveraging, this is startling. It's hard to see how this trend is sustainable. I suspect rules changes will be needed for the repayment of student loans to help former

"It looks like the consumer credit markets are now performing pretty well," said Jennings. "The economy may not be going gangbusters, but credit activity seems to be picking up and lenders appear to have a handle on risk. However, a couple of persistent issues are causing problems for many households and creating a headwind for the broader economy —the tight market for new mortgage lending and the rise in student loan debt, which is weighing down many young adults."

A detailed report of FICO's quarterly survey is available at www.prmia.org/PRMIA-News/Fico-3rdQuarterSept2012.pdf. The survey included responses from 215 risk managers at banks throughout the U.S. in September 2012. FICO and PRMIA extend a special thanks to Columbia Business School's Center for Decision Sciences for its assistance in analyzing the survey results.

About PRMIA
The Professional Risk Managers' International Association (PRMIA) is a higher standard for risk professionals, with 65 chapters and more than 85,000 members worldwide. A non-profit, member-led association, PRMIA is dedicated to defining and implementing the best practices of risk management through education, including the Professional Risk Manager (PRM) designation and Associate PRM certificate; webinar, online, classroom and in-house training; events; networking; and online resources. More information can be found at www.PRMIA.org.

About FICO
FICO (NYSE: FICO) delivers superior predictive analytics solutions that drive smarter decisions. The company's groundbreaking use of mathematics to predict consumer behavior has transformed entire industries and revolutionized the way risk is managed and products are marketed. FICO's innovative solutions include the FICO Score — the standard measure of consumer credit risk in the United States — along with industry-leading solutions for managing credit accounts, identifying and

minimizing the impact of fraud, and customizing consumer offers with pinpoint

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