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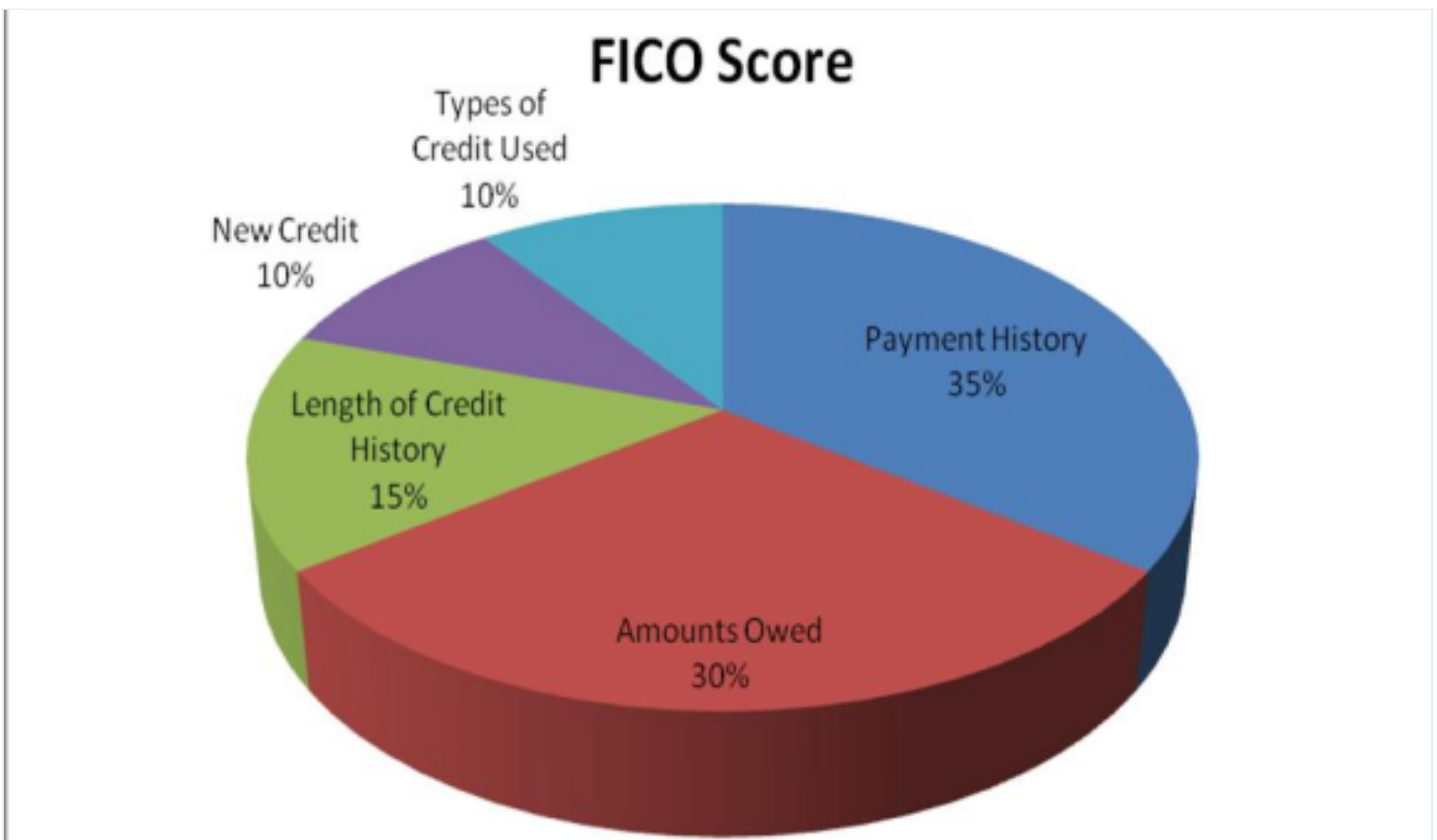
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ACCOUNTING & AUDIT

FICO to Release New Credit Scoring System

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Using a new, multi-faceted modeling approach, which combines a sophisticated in-house analytic technology with insights gained over 50 years of building credit risk models, FICO Score 9 will provide best-in-class predictive power across all major credit product lines – mortgages, auto loans, credit cards and personal loans – from originations through account management.

FICO has also addressed lenders' concerns regarding score consistency across the three major credit bureaus, and compatibility with previous FICO Score versions to ease adoption. The FICO Score continues to help keep lenders aligned with key compliance objectives and relevant government regulations.

The FICO Score is the most widely used credit score in North America. Lenders purchased more than 10 billion FICO Scores in 2013, and 90 percent of all U.S. consumer lending decisions use the FICO Score. The 25 largest credit card issuers, the 25 largest auto lenders and tens of thousands of other businesses rely on the FICO Score for consumer credit risk analysis and federal regulatory compliance.

“To become a widely adopted industry standard, a credit score must work well across industries, across all lending product lines and across the entire credit lifecycle,” said James Wehmann, executive vice president of Scores at FICO. “The major changes in the lending environment over the last few years demanded that we take a different approach to building a score that will continue to perform consistently well in various situations. We devised an innovative approach to developing FICO Score 9 that enabled us to leapfrog our own industry-standard benchmark. Our goal is to continue to support a financial ecosystem that includes lenders, securitization investors, rating agencies, regulators and other stakeholders who need a common risk benchmark.”

“Our innovative, multi-faceted modeling approach incorporates a more exhaustive characteristic selection process to build a score that is even more effective across a wide variety of situations,” said Andrew Jennings, chief analytic officer for FICO. “This approach also uses FICO Model Builder's Multiple Goal Scorecard technology – a sophisticated tool that balances different scoring objectives applied across various product lines. As a result, we will deliver a new FICO Score that continues to be the credit score that defines U.S. consumer credit risk.”

FICO Score 9 will be the first release in a suite of updated and new FICO Scores. It will be followed by industry-specific FICO Scores for credit cards, auto loans and mortgages. Future scores in the suite will build on FICO's deep expertise in analyzing a broad spectrum of data types, as well as its keen understanding of client needs. These scores will be developed to reliably assess the creditworthiness of even more people.

“Lenders today are actively looking to extend credit to new customers in ways that are prudent and comply with their latest regulatory and compliance standards,” said Wehmann. “Additional scores in the FICO 9 Score suite will help them accomplish these objectives.”

The FICO Score is also available at no charge to consumers through the FICO[®] Score Open Access program. Since the program's launch in late 2013, nearly 30 million U.S. consumers have received access to their FICO Score for free.

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