



Enhanced Credit Scores

28 March 2019 By: Al Pascual, Ginger Schmeltzer

Enhancing credit scores with alternative data promises to fill a significant gap in the relevant information available to lenders to evaluate credit applicants, providing a broader view into consumer payments behavior and potentially enabling millions more creditworthy consumers to have access to lending.

Alternative credit data utilizes a broader range of consumer payments to bolster a consumer's credit file. This data can include information on payments for rent, mobile phone and cable TV, as well as bank account information including deposits, withdrawals and transfers. This alternative data supplements traditional scores and provides lenders a more comprehensive picture of a consumer's payment behavior, and therefore a potentially clearer indication of their ability to pay on a debt as agreed.

The use of alternative data in credit scoring used to be the purview of smaller, specialized credit reporting agencies such as eCredable and PRBC, but the major players have been starting to offer products utilizing alternative data as well. In fact, all three major credit bureaus have made acquisitions recently to expand their alternative data collection and management capabilities.

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