

SOLUTION SHEET

Decision Flow Optimization Uncovers Lift for Credit Risk Assessment

The Client: A Fintech Startup that Offers Payment Plans for Veterinary Services

A fintech startup that partners with veterinary clinics to provide payment plans for veterinary services enables pet owners to apply, review, and accept a payment plan online within 90 seconds.

The Challenge: How to Reduce Defaults While Maintaining Approval Rates

The fintech startup wanted to reduce defaults and maximize profitability while staying in compliance with Gramm-Leach-Bliley Act and Fair Credit Reporting Act regulations. These regulations would impact their processes around identity verification, fraud detection, and assessing credit risk. At the time, the fintech startup was using a standard prebuilt credit score for its credit decisions.

The Solution: Enova Decisions Smart CreditTM

Enova Decisions Smart CreditTM Accelerate solution enabled the fintech startup to make smarter decisions quickly and comply with regulations by leveraging pre-trained fraud and credit models and pre-configured decision flows. When testing the new fraud and credit models against the client's credit model, the fraud model was determined to be the most effective at reducing defaults. However, implementing a fraud model alone would run the risk of declining creditworthy customers. Therefore, Enova DecisionsTM tested its fraud model with the client's credit model against both its fraud and credit model: the fraud model would be used to soft decline risky applicants and then the credit model would be used to determine final creditworthiness.

The Results: Smarter Underwriting

The new fraud and credit model was able to reduce bad rate by 17% while maintaining the same approval rate: applicants defaulted at 9.8% versus 11.8% when using the client's credit model. Looking ahead, Enova DecisionsTM is able to tailor the fraud and credit models to optimize results.

Enova DecisionsTM improved bad rate by 17%
(Risk Inflation Factor = 1.25)

Fraud Model	Credit Model	Bad Rate
Enova Decisions TM	Client	11.8%
Enova Decisions TM	Enova Decisions TM	9.8%

Speak with your representative to learn how we can help your business.

About Enova DecisionsTM

Chicago-based Enova DecisionsTM is part of Enova International, Inc. (NYSE: ENVA), a leading technology- and data-analytics-driven online lending company that operates 10 brands in three countries. These brands gain their competitive edge through Enova DecisionsTM real-time analytics and the ColossusTM decision management platform – built and developed over 14 years of data experience. Today, Enova DecisionsTM leverages this proven technology and analytics experience to help clients thrive with custom, real-time analytics services and instant data-driven decisioning at scale.

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