With consumer debt on the rise, North American and UK credit grantors are seeing a steady increase in delinquencies for both credit cards and loans. In the US, the share of new loans entering foreclosure reached 0.6% in Q1 2007, the highest level since 1979; at the same time, the credit card default rate reached 3.9%, a jump from 3% one year prior. Similarly, UK charge-off rates have grown steadily since early 2005, reaching 7% per year in June 2006.

In this environment, analytics can make the difference between best-in-class and average collection performance. Collection Scores help North American and UK credit grantors increase collections, reduce roll rates and minimize charge-offs by assessing the accounts most at risk and accurately segmenting those accounts. FICO analytic clients typically see 15%–20% lift over judgmental segmentation of accounts by leveraging our decades of innovation in analytics.

In addition, the FICO scores improve customer service and resource utilization. By identifying likely self-cures, you can prevent potentially upsetting your best customers with collector calls. You can also direct collection resources to the accounts that are most likely to pay, instead of spending time on self-cures or accounts with low expected collection amounts.

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Collection Scores are an ideal first step to get up-and-running quickly with collection analytics. Unlike with custom model developments, there are no data requirements, so the scores can be deployed within months.

**Tackle today’s collection challenges**

To meet collection challenges, lenders need analytics that answer the tough questions:

- Which are the right accounts to work to increase collection rates and lower losses? How do I minimize impact on good customers?
- How can I gain an edge over competitors collecting on the same delinquent accounts?

Collection Scores address these questions through a suite of scores that target North America and the UK card and loan markets:

- **Cycle 1 Early-stage score**—rank-orders accounts based on their probability of rolling from cycle 1 to 3 (available for cards and loans)
- **Cycle 2 Early-stage score**—rank-orders accounts based on their probability of rolling from cycle 2 to 3 (available for cards and loans)
- **Cycle 3 Late-stage score**—rank-orders accounts based on their expected collection amount for cycle 3+ accounts (available for cards only)
Get started quickly—
with no data requirements

While custom collection models provide the most potential to boost performance, it can take up to one to two years to collect the necessary data and complete model development. Credit grantors with smaller portfolios may be unable to gather sufficient data.

FICO® Collection Scores eliminate these time and data limitations, and are a cost-effective alternative to custom models. Since the FICO scores are pre-developed, there are no historical data requirements. Scores can be delivered and implemented within months, so you can begin realizing benefits quickly. If building custom models is in your future plans, Collection Scores are an ideal first step. Once implemented, the scores can boost your collection performance right away, as you collect data and build your custom models.

Support from a collections innovator

Collection Scores leverage our extensive experience in analytics for credit and collections. Some 70% of after-charge-off US consumer debt is processed by FICO solutions. In addition, we’re the experts behind the FICO® Debt Manager™ solution for collections, as well as the FICO® Score, the leading US credit risk score, and FICO® TRIAD® Customer Manager, which manages 65% of the world’s credit cards. FICO offers support and services to make the most of your scores within your daily collection operations. We work with you to improve collection strategies, begin collecting data for future custom model development or build custom models.

More information

Find out more about how your organization can benefit from collection analytics by emailing us collectionsolutions@fico.com.