



## **Credit Boot Camp: Fundamentals of Scoring and Data Driven Decision Making across the Credit Customer Lifecycle**

### **Description:**

Are you new to scoring, new to automating credit decisions, or newly responsible for credit management? This daylong Credit Boot Camp is a perfect introduction to the basics and factors affecting decision-making today such as the digital revolution, regulation and fraud. We recommend this event for managers, directors or VP's who are interested in incorporating scoring into their operations or those who want to tune up their knowledge before attending other FICO World sessions. This fundamental content is also valuable for underwriters and analysts at all lending institutions.

### **Agenda:**

**The Credit Customer Lifecycle** – The day will kick off with an introduction of the concepts behind the credit lifecycle, and how data driven decision making utilizes both general capabilities like credit scoring and decision modeling across the credit lifecycle, while also utilizing specific techniques unique to each lifecycle segment. We'll also touch on key regulations, including IFRS 9 and CECL, the General Data Privacy Regulation in the EU and similar privacy restrictions globally. This very brief session sets the stage for what you'll learn across the series of sessions which follow.

### **Fundamentals of Scoring**

In this section you'll learn about types of models and how they are developed starting with a comprehensive introduction to the FICO® Score. From there we'll move on to discussing other types of scores and models that can be used to assess risk. You'll find out how these other types of models are similar and different from the FICO® Score such as FICO® Small Business Scoring Service(SM) SBSS(SM), FICO® Application Risk Models (ARM), expert models and custom models. Lastly, this session will touch on innovation in lifecycle scores such as adaptive analytics and self-calibrating scores.

Once you understand the basics of scoring, how do you make data-driven decisions and balance risk and reward throughout each stage of the credit customer lifecycle?

### **Fundamentals of Origination**

It's estimated that 85% of the risk in a portfolio results from decisions made at the time of origination. In this session, we'll discuss how originations decisions are impacted by the digital revolution, the importance of borrower authentication and application fraud defenses, and the best methods for assessing borrower risk. We'll touch on the increasing impact of data privacy regulations and the need for policy to align with risk appetite goals. We'll also discuss how IFRS 9 and CECL may impact originations as they begin to redefine the provisioning process.

### **Fundamentals of Customer Management**

Once a customer is part of your book of business, your objective is to maintain, grow and mitigate risk on that relationship. How you do that depends on whether your organization pursues a relationship lending strategy or manages each credit product on a standalone basis. With new provision regulations, your management of individual consumer credit exposures will also be impacted. Adding in a multi-channel approach to customer interaction, and decisions and communication strategies get even more complicated. In this session, we'll discuss how a data driven approach to decision making can help you prioritize risk and communication strategies and treatments, as well as the safeguards you need to address to avoid cyber threats, payment transaction fraud and account-takeovers, while still delivering a superior customer experience.

### **Fundamentals of Collections and Recovery**

The fundamental premise of credit is that the money borrowed by an individual must be repaid on a timely basis. When an individual fails to honor that commitment, an organization typically takes steps to collect the account. With new provision regulations, the approach to early stage collections may change. Collections is also typically the

first line of detection for First Party Fraud. In this session, we'll discuss how to approach resource allocation for the multi-channel collection function, define strategies for pursuit of early and later stage delinquencies, define treatment strategies for delinquencies, and create an agency strategy. This lesson will provide you with a great start on helping delinquent customers get back into good standing in a way that maintains customer satisfaction and while encouraging customer loyalty.

### **Fraud throughout the Credit Lifecycle**

While we'll touch on the aspects of fraud unique to each credit lifecycle as we proceed through the day, in this session, we'll focus on fraud across the lifecycle and the enterprise. Detecting, preventing and mitigating fraud and cyber breaches requires awareness of the type of risks which result from each lifecycle segment and each communication channel and alignment of investment that matches the organization's risk appetite. In this session, we'll provide you with an understanding of the fraud detection and prevention capabilities available to lenders and how your approach to fraud will influence your success as well as your competitor's risks. And we'll discuss the detrimental impact that false positives and draconian documentation requirements have on customer satisfaction and loyalty