Monday, Oct. 2

11 a.m.–1 p.m.  Registration

1–1:15 p.m.  TRAINING DAY WELCOME AND INTRODUCTION

1:15–1:45 p.m.  THE EVOLUTION OF CONSUMER LENDING: A HISTORICAL PERSPECTIVE

Ezra Becker
Senior Vice President, Research and Consulting, TransUnion

It’s critical to have a historical perspective to appreciate where we are as lenders and understand where the market is going. At TransUnion, we believe consumer lending has entered a third era. In this opening session, we introduce the Consumer Finance 3.0 concept and describe its main characteristics, comparing it to the two phases that have come before. While some dynamics of the new environment are understood, many others are only now emerging. We’ll highlight many of the key risks and opportunities lenders face in this market, giving a perspective that can help you as you explore further.

2–3 p.m.  TRAINING BREAKOUTS

3–4 p.m.  TRAINING BREAKOUTS

5 p.m.  COCKTAIL RECEPTION
Tuesday, Oct. 3

8–9 a.m.  BREAKFAST

9–9:45 a.m.  USING PRAMA FOR EFFECTIVE STRATEGY DEVELOPMENT

Nidhi Verma
Vice President, Consulting, Innovative Solutions Group, TransUnion

The lending market is a dynamic one, which makes analysis consistently fresh and interesting. Yet that dynamism also presents a challenge: How can you perform effective analyses and get them into production fast enough to gain the maximum lift from your efforts? With the pace of today’s market, the lender with the most nimble data-insights-action loop is going to be tough to beat. In this session, we’ll explore how to use Prama™, our on-demand, analytics platform, to build relevant insights, identify opportunities presented by those insights, and define strategic actions you can take to positively impact your business.

10–11 a.m.  TRAINING BREAKOUTS

11 a.m.–Noon  TRAINING BREAKOUTS

Noon–1 p.m.  LUNCH

1–1:15 p.m.  MARKET INSIGHTS DAY WELCOME AND INTRODUCTION

1:15–2 p.m.  INDUSTRY UPDATES IN 8

In this session, you’ll hear from Ezra Becker, who will give an industry overview, along with TransUnion business leaders (Jason Laky, Brian Landau, Eric Anders and Paul Siegfried) who will each have eight minutes to share valuable insights regarding their respective sector.

Acquisition and portfolio managers are always seeking insights as to what drove their performance trends in a specific direction. In fact, benchmarking against industry movements isn’t a luxury, but a mandatory exercise every lender should perform. However, getting a clear picture of overall industry trends is rarely easy or straightforward. Even more challenging is drawing a storyline from those trends and relating it to business strategy. Given all that, our lively panel of business leaders will provide their perspectives on key trends and critical dynamics in the consumer lending marketplace.

Session highlights:

• Examine the credit wallet of virtually every credit-active adult in the U.S.
• Analyze performance of the major product classes
• Learn how to address questions of market drivers and emerging trends when developing a strategic outlook for your lines of business
2–2:15 p.m.  
BREAK

2:15–3 p.m.  
INTERPRETING DISTRACTED VERSUS STRUGGLING PAYMENT BEHAVIOR

Paul Siegfried  
Senior Vice President, Card Business Lead, TransUnion

When consumers miss a payment on existing debt, it can quickly impact their traditional credit scores. This decline in score can lead to adverse action against the consumer, including fees, limited extension of credit, credit line decreases and even higher interest rates on existing or new loans. However, not all missed payments signal a consumer is a higher risk. At times, this can merely be a symptom of carelessness.

In this session, we’ll reveal which behavior traits signal a struggling and essentially higher-risk consumer, as opposed to what may simply be distracted payment behavior. Being able to distinguish between these two types of consumers will allow lenders to adjust risk strategies to protect themselves against risky consumers, while engaging distracted payers appropriately.

Session highlights:
• Learn what defines a distracted payer versus a struggling consumer
• Explore some credit characteristics that distinguish these two types of payers
• Learn how you can integrate effective, early mitigation strategies for the struggling and engagement strategies for the distracted payer

3–3:45 p.m.  
THE EVOLUTION OF THE CONSUMER CREDIT PAYMENT HIERARCHY

Ezra Becker  
Senior Vice President, Research and Consulting, TransUnion

The credit payment hierarchy is the order in which consumers choose to pay their debts. Traditionally, debts associated with basic livelihood dependencies, such as mortgages or auto loans, have been at the top of the hierarchy. During the Great Recession period, with depreciated home values and increased unemployment, the payment hierarchy changed—mortgages became subordinate to cards. With a recovered economy, the payment hierarchy is shifting back to the pre-recession norm. Now that the housing market is booming again and personal loans are on the rise, we’ll explore how the payment hierarchy may have changed. Central to this session is the concept of a “consumer mindset model,” and how important it is to adjust your own to fit the data.

Session highlights:
• Define the payment hierarchy and an analytical approach to measuring it
• Identify shifts in payment hierarchy and the dynamics causing those shifts
• Review conceptual changes to the traditional consumer mindset model

5 p.m.  
RECEPTION
Wednesday, Oct. 4

8–9 a.m.  
**BREAKFAST**

9–9:15 a.m.  
**THE STATE OF TRANSUNION**
Steve Chaouki  
Executive Vice President, Financial Services, TransUnion

9:15–10 a.m.  
**UNDERSTANDING A CONSUMER’S MOTIVATION TO SUBSTITUTE CREDIT PRODUCTS**
Ryan James Boyle  
Senior Manager, Research and Consulting, TransUnion

As credit supply has regained momentum and consumer confidence remains high, credit participation has grown apace. Lenders are growing assets at a healthy rate by not only providing credit to new consumers entering the market, but by providing consumers attractive offers to refinance or consolidate their existing debts. Lenders can benefit from a better understanding of the motivation behind product substitution behaviors. This study seeks to identify substitution patterns for consumers who choose to move existing balances into other products. Understanding consumer behavior on substitution can allow lenders to better meet consumer needs and grow assets profitably.

Session highlights:
• Explore the most common product substitution patterns in the marketplace
• Discuss key factors that drive product substitution among consumers who demonstrate that behavior
• Learn insights to consider when targeting these consumers to drive greater adoption

10–10:15 a.m.  
**BREAK**

10:15–11 a.m.  
**ARE MILLENIALS REALLY DIFFERENT CREDIT CONSUMERS?**
Nidhi Verma  
Vice President, Consulting, Innovative Solutions Group, TransUnion

The Millennial generation is a critically important segment for our economic growth. Indeed, as the largest generation, Millennials are a huge market segment, and moreover, are the source of your future biggest-spend customers. A common hypothesis regarding their lack of interest or participation in consumer credit compared to previous generations has created some concerns on future growth of the consumer credit marketplace. According to the Federal Reserve, the percentage of Americans under 35 who hold credit card balances has fallen to its lowest level since 1989.
Previously, we’ve explored the consumer wallet across age groups and gained valuable insights. In this session, we’ll build on that theme with a focus on the Millennial generation, discussing their credit behaviors and evaluating how they’ve changed over time.

Session highlights:
- Learn if today’s younger consumers participate differently in the credit market than previous generations
- Explore new loan growth in the credit market derived from younger consumers today versus the prior generation
- Review credit performance on newly opened loans for those different generations of credit-active consumers

11–11:45 a.m.  
NEWLY SCORED: THE DYNAMICS OF NEW-TO-CREDIT CONSUMERS  
Charlie Wise  
Vice President, Research and Consulting, TransUnion

In many cases, from the time a consumer is assigned his or her first credit score and enters the credit lifecycle, the opportunity arises to better understand the credit needs and behaviors of that journey. While credit scores are the traditional first ingredient of quantitative underwriting, reliance on a first score is something many lenders hesitate to do.

In this session, we’ll explore the consumer’s journey into the credit lifecycle upon the assignment of the first credit score. We’ll explore common hypotheses around how these consumers perform, with the goal of reliably identifying risk-eligible consumers with thinner files and lower risk scores. Such information can enable lenders to enhance underwriting practices and create organic growth opportunities tailored to consumers with new and growing credit needs.

Session highlights:
- Find out how many consumers in the U.S. enter the credit lifecycle over time
- Observe changes in score distribution of these consumers as they progress
- Review product participation and performance for these consumers
- Gain insights on how to identify new-to-credit consumers who would be reasonable targets for acquisition campaigns

Noon  
CLOSING REMARKS
HOW TO UNDERSTAND AND USE A CREDIT SCORE
Gene Volchek
Senior Vice President, Analytics, Innovative Solutions Group, TransUnion

The credit score is the fundamental building block of any quantitative underwriting system. Virtually every risk analyst and policy manager has worked with them to evaluate applicant non-repayment risk. Yet, the average risk team usually does not take full advantage of scoring technology. And while the larger lenders may have the resources to build their own custom scoring models, other lenders might find the diversity of scores in the marketplace somewhat daunting. In this session, we’ll discuss the nature and effective application of credit scores. Topics will include score design, odds charts, score matrixing, static versus dynamic scores and more.

RETROSPECTIVE ANALYSIS: CONCEPTS, APPLICATIONS AND EXAMPLES
Mark Bergeron
Senior Manager, Analytics, Innovative Solutions Group, TransUnion

Retrospective analysis is perhaps the single most important form of analysis in lending. It’s the basis for risk score development, response score design, and in fact, most every other quantitative strategic algorithm in use by lenders today. As the name implies, retrospective analysis is the attempt to explain the present condition of a population by evaluating data from their past history. In this session, we’ll discuss the mechanics of retrospective analysis, including analytical design, interpretation of results, presentation of results and their application to strategy development.
Training Breakouts: Understanding Your Data

Unlocking the Credit Data Puzzle
Michelle Simms
Vice President, Data Acquisition Services, TransUnion

Analysts use credit data regularly to inform lending strategy, evaluate consumer credit risk and target likely consumers for marketing. Yet, most analysts have only the most basic understanding of how data come to arrive on the credit file. In this session, we’ll explore the credit file in greater detail, covering diverse topics, such as the structure of credit data, certain rules related to the reporting of credit data, the evolving nature of credit data, the challenges associated with that dynamic, and more. A better understanding of the fundamental building blocks of analysis is critical to drive more insightful and impactful analytics, avoid pitfalls in managing your data, and be able to respond effectively when new forms of data become available.

Practical Considerations in the Use of Alternative Data
Ken Krzywicki
Director, Analytics, Innovative Solutions Group, TransUnion

A defining characteristic of the Consumer Finance 3.0 era is the availability and breadth of new and diverse consumer data. The alternative credit data space has been a hotbed of activity over the past five years, especially for companies that lend into the subprime, thin and no-hit populations. A wide array of information for these borrowers is available, and lenders are eager to use it to better evaluate the risks and opportunities presented at the individual consumer level. Yet, incorporating alternative data into effective lending strategies is much easier said than done. The very nature of the data can create challenges in building and maintaining robust models. In this session, we’ll explore various approaches to solving some of the challenges posed by alternative data.
TRAINING BREAKOUTS: THE ANALYTICAL PROFESSIONAL

UNIVERSE EXPANSION CONCEPTS—A MULTIDIMENSIONAL APPROACH

Matthew Komos
Vice President, Research and Consulting, TransUnion

It’s a fundamental goal of every lending institution to grow. This is achieved both through the wider use of credit by its existing customer base, and the expansion of its customer base—the latter commonly referred to as universe expansion. Yet, when lenders discuss the topic, the first (and often only) thing that comes to mind is expansion further down the risk spectrum. While lenders can certainly acquire more customers by relaxing their underwriting criteria, doing so will result in higher delinquencies. In this session, we explore practical approaches to universe expansion along multiple dimensions, with the goal of preserving risk thresholds while reaching more consumers. We’ll present practical examples of different forms of universe expansion, and discuss some of the mechanics of each approach.

MODEL VALIDATION: A KEY PILLAR OF MODEL GOVERNANCE

Laura Migalski
Senior Director, Analytics, Innovative Solutions Group, TransUnion

Lenders use scores every day as part of their risk evaluation processes. Indeed, one could argue that the average lender relies on credit scores more than any other single data element in determining who to lend to, how much to lend and at what price. It is therefore critically important to have effective model governance—in other words, to have confidence in the scores that you use, to have confidence in the scores you use and know they’re working properly and providing the risk measures they were designed to. Scores performance can deteriorate markedly as one moves further away from the score development period, as they are applied to populations that differ from those used to develop the score, as the economy changes, and as consumer behavior shifts. In this session we will discuss the primary elements of score model validation, so you can maintain confidence in the effectiveness of one of the most important tools in your analytical toolbox.
BEST PRACTICES IN PORTFOLIO MONITORING
Rakesh Shetty
Director, Analytics, Innovative Solutions Group, TransUnion

Almost all lenders put a great deal of emphasis on evaluating consumer risk at the point of application, (i.e., as consumers “come through the door”). Yet, far fewer lenders focus any resources on the regular and comprehensive evaluation of existing customers. But customers change over time—a low-risk customer may have recently run into financial distress, while a high-risk customer might have learned to manage credit effectively. Without active portfolio monitoring, the former customer may cause you an unexpected loss, while the latter customer might be poached by more attractive offers from your competitors. In this session, we’ll discuss certain best-practices in portfolio monitoring, explore some of the tools available to help you do so effectively, and offer guidance on how to turn the insights gained from portfolio monitoring into effective customer engagement strategies.

TLOxp®: THE EFFECTIVE APPLICATION OF NON-FCRA INSIGHTS
Sean Reardon
Senior Director, Financial Services, TransUnion

Our work as lenders usually centers on FCRA-compliant data, (e.g., what can be found on the credit file). Yet, there’s a wealth of data available that, while not FCRA compliant, can still be used to provide tremendous insights and enhance your existing processes across diverse areas, such as identity verification, data hygiene and collections. Ultimately, an understanding of this type of data can help you drive efficiencies and facilitate a better customer experience. In this session, we’ll explore several case studies highlighting the effective use of non-FCRA data, with an emphasis on best practices in the application of this excellent resource.