SubscriberWise ®

Risk Management Solutions for the Communications Industry

FICO® Scores below 400 Nonexistent for U.S. Operators

PRESS ROOM – FOR IMMEDIATE RELEASE

Massillon, OH, August 11, 2010 – SubscriberWise, the leading provider of analytics-driven subscriber risk management for the communications industry, announced today that none of its member operators nationwide has decisioned a prospect with a FICO 8 score below 400.

"FICO scores are the standard measure of credit risk in this nation and it's a well-known fact that FICO scales on a possible range of 300 to 850," said David Howe, president of SubscriberWise. "However, despite an industry where score distributions indicate significantly higher risk when compared to national averages, finding a consumer with a FICO 8 score below 400 has proven non-existent among 21 U.S. communications operators. From our data sample of approximately 100,000 FICO 8 scores, it's evident that the lowest possible FICO score is much less common than the highest possible score of 850. To date, our members have decisioned nearly 100 prospects that achieved a perfect FICO score, but without even one occurrence of a FICO 8 score below 400 from a single operator."

The lowest FICO 8 score among all operators: 403. According to the consumer report, the reason factors that contributed to the score (indicated from most to least significant):

- Serious delinquency, and public record or collection filed
- Time since delinquency is too recent or unknown
- Too few accounts currently paid as agreed
- Proportion of balances to credit limits is too high on bank revolving or other revolving accounts

"Although SubscriberWise data suggest that scores below 400 are unlikely, it nevertheless reveals the significance of FICO scores today," continued Howe. "Just last month, the FHA proposed that FICO scores below 500 would be unequivocally denied for FHA-insured loans. When we expand our data set to include scores between 300 and 499, we're suddenly talking about thousands of individuals."

About SubscriberWise
SubscriberWise employs enhanced Subscriber Level Segmentation technology to precisely identify credit-challenged subscribers to ultra-high achievers to maximize sales and boost profits. By incorporating years of communications performance data and proprietary decisioning models, including FICO's latest analytic technology (FICO® 8), SubscriberWise delivers unprecedented predictive power with a fully compliant, score-driven decision management system. Combined with Red Flag compliance and operator-controlled rules, SubscriberWise analytics empower CSR's to instantly and accurately respond to payment and credit characteristics with appropriate options for every subscriber. With SubscriberWise, no subscriber request is ever denied because of credit risk factors.

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