

LeaseRiskScore™



Reduce costs and average days delinquent

PredictiveMetrics' LeaseRiskScore is a statistical decision model that quickly and accurately predicts the probability that an existing customer will become severely delinquent, go to loss, or bankruptcy.

LeaseRiskScore leverages the predictive power of your FREE internal performance data and delivers your scoring outputs through ScoreMiner,(SM) our hosted web application or file transfer occurs via secure FTP Internet, minimizing IT resources and costs.

LeaseRiskScore Benefits

- ◆ Reduce average days delinquent and write-offs
- ◆ Lower expenses by utilizing your internal data; It's the most predictive and It's free
- ◆ ScoreMiner web hosted application minimizes IT resources, no software required
- ◆ Increase credit and collection productivity and efficiency
- ◆ Score all accounts, not just bureau hits
- ◆ Multiple versions available to best fit your needs

LeaseRiskScore Features

LeaseRiskScore™ statistical model for commercial accounts receivable portfolio management puts you in the driver's seat by providing you with a superior credit and collection decision system. This multifunctional decision tool can be used for new lease authorizations or repeat transactions, lease line management, and development of collection strategies.

Only data needed to produce and validate LeaseRiskScore:

- ◆ Monthly aging dollars
- ◆ Monthly balances
- ◆ Indicator of loss or bankruptcy
- ◆ Account number
- ◆ Lease type (optional)
- ◆ Lease term (optional)
- ◆ Equipment type (optional)

We are so confident in the predictiveness Net30Score will provide to you that we will validate it on your portfolio based on your bad definition for FREE using your company's internal performance data only.

Versions of LeaseRiskScore:

- ◆ Standard - Leverages the predictive power of your internal data
- ◆ Enhanced - Applies external commercial leasing, public record, and demographic data with your internal data
- ◆ Custom - Blends your data with the most applicable external data for optimum performance on your portfolio

LeaseRiskScore Output

1. Scores usually are on a scale of from 0 to 100
2. The probability that the account will go bad within 6 months from the date of score (PBAD)
3. The account's Risk Class, which is used as the basis for applying collection strategies
4. Dollars at Risk (DAR), the dollar value of an account's outstanding balance that is at risk
5. Multiple Adverse Reason Codes that explain why the account scored the way it did

LeaseRiskScore Validation Results by Risk Class

- ◆ For more efficient operations, 6 risk groups are utilized and accounts assigned based on their score.
- ◆ In the Extreme Risk category, the probability of an account going BAD was 40.3%. We could expect, therefore, that about 2 of every 5 accounts will not pay on a timely basis.
- ◆ In the Very Low Risk category, the probability of an account going BAD was 1.7%. Therefore, we could expect that only about 1 of every 59 accounts will not pay on a timely basis.
- ◆ Note that the odds of payment are primarily a function of the account's inherent risk as determined by its LeaseRiskScore and PBAD and not of the account's aging or the amount of money due.

ANALYSIS OF LEASERISKSORE OUTPUT

Average Number of Accounts per Month in Validation Sample - 167,942

Risk Class	LeaseRiskScore Range	Average Number of Accounts in Risk Class	Percent of Accounts in Risk Class	Cumulative Percent of Accounts Through Risk Class	Number of BAD Accounts in Risk Class	BAD Rate in Risk Class	Cumulative Percent BAD Through Risk Class
Extreme	≤ 41.5	5,895	3.5%	3.5%	2,936	49.8%	47.5%
Very High	41.51 to 63.63	4,820	2.9%	6.4%	863	17.9%	61.4%
High	63.64 to 68.01	8,884	5.3%	11.7%	728	8.2%	73.2%
Moderate	68.02 to 80.48	30,011	17.9%	29.5%	810	2.7%	86.3%
Low	80.49 to 96.35	16,777	10.0%	39.5%	235	1.4%	90.1%
Very Low	> 96.35	101,555	60.5%	100.0%	609	0.6%	100.0%

Enhance Collections with ScoreMiner, Web-Based Reporting & Querying

ScoreMiner(SM) web-based credit and collection scoring, data mining, report and query system

leverages the predictive power of PredictiveMetrics' industry specific and custom behavior scores.

Obtain a clear vision, now and historically, of credit and collection risk on your portfolio, sub-segment, and individual accounts to quickly assess the impact of your risk reduction strategies. ScoreMiner offers a simple, but robust way to measure credit and collection performance over time.



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