



# Introducing TransUnion's CECL Credit Loss Calculator with EXL

Are you CECL-ready? Become CECL compliant with TransUnion's CECL Credit Loss Calculator<sup>SM</sup>. This web-based solution, jointly developed with EXL, requires no change to your technology infrastructure.

## What

CECL is being referred to as the biggest accounting standards change in years. It requires more data, statistical modeling, model validation, comprehensive documentation and reporting capabilities.

## Who

All lenders, regardless of size, are required to comply. If you adhere to the U.S. GAAP (generally accepted accounting principles), you're likely covered under the CECL requirement.

## When

Compliance differs based on the type of reporting entity. Public businesses reporting on the Security and Exchange Commission will be required to comply in 2020. Smaller reporting SEC companies and privately held lenders must comply by 2023.

## Solution

The TransUnion CECL Credit Loss Calculator with EXL is an integrated, flexible, end-to-end solution designed for any financial entity. It provides a seamless way to estimate CECL reserves and generate reports without requiring technology setup or integration. From data preparation through the creation of auditable regulatory reports, this tool will help you meet tight implementation timelines around the intricate provisions of the CECL rule.

## Why use the CECL Credit Loss Calculator solution?

This solution combines the expertise of two industry leaders. Leveraging our shared capabilities has enabled us to develop a solution that supports loss forecasting for the largest banks to the smallest credit unions.

- TransUnion provides the breadth and depth of depersonalized data sourced from its consumer reporting database for developing CECL models
- EXL lends their deep domain expertise in accounting, risk and regulatory processes to develop the CECL solution

Here's how the solution works:

### Web-based platform

The web-based solution is secure. You'll receive a login ID and password, giving you on-demand access to the solution. No integration with a core platform is required.

### Easy data ingestion

The solution can ingest your portfolio data, or, if you prefer, can automatically pull tradeline data you report to TransUnion. This saves time and resources needed to collect your own data and fit it into rigid data templates, ensuring more complete data integrity and regulatory compliance.

### Flexibility of loss forecasting approaches

Depending on your portfolio size, data limitations and loss propensity, multiple statistical modeling approaches according to CECL requirements are available. There's no "one-size-fits-all" approach to CECL forecasting, and this solution will help you find your optimal solution by analyzing multiple methodologies that adhere to the estimation and reporting guidelines on CECL.

### Ability to make adjustments based on business judgment

Because models need to be dynamic and incorporate the impact of lending strategy changes and geographical nuances, this solution provides the option to change and align model assumptions to your business model. It provides a structured approach to quantify qualitative factors for consistency and objectivity.

### Output reports

TransUnion's solution produces management- and auditor-ready reports containing loss forecasts by portfolio, segment and origination vintages. In addition, it provides change analyses outlining key drivers of increases and decreases in your monthly or quarterly reserves. If desired, you can also download account level forecasts for downstream processes.

### LEARN MORE

Contact your TransUnion representative; call **844-245-4071** or visit **[transunion.com/CECL](https://transunion.com/CECL)** for more information.