



Comply with the FACT Act Risk-Based Pricing Rule

According to the Rule, any company that uses a credit report or score in connection with a credit decision must notify a consumer when granting credit on “material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers.”

Efficiently integrate TransUnion solutions in exception notice processes

The Risk-Based Pricing Rule allows lenders to deliver a credit score disclosure exception notice in lieu of the risk-based pricing notice. TransUnion has developed score distribution graphs, score interval tables and a score percentile ranking to help lenders streamline IT and development processes associated with the delivery. These options fully support the model form exception notice in the Rule. In addition, TransUnion provides model score minimum/maximum values to support a lender’s ability to comply with the Rule.

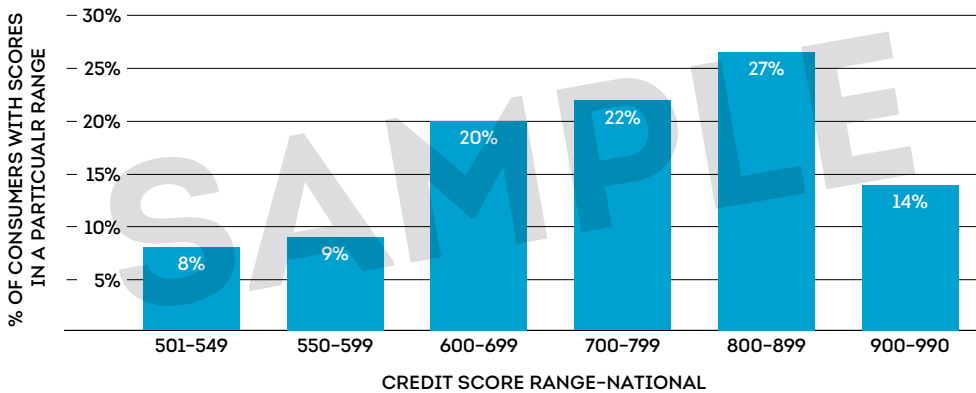
Score distribution graphs and score interval tables

TransUnion has developed pictorial graphs and data tables to enable lenders to populate the score comparison section of the exception notice.

- Available on all active, generic risk score models
- Delivered via TransUnion Client Technical Services website or available from your sales representative
- Updated annually in June
 - » Updates will be communicated through the TransUnion Technical General Announcements

Score Distribution Graph example

Bar graphs—with a minimum of six score ranges—display how a consumer's credit score compares to the scores of other consumers. Score Distribution Graphs will be available in .jpeg and .pdf format for insertion in the exception notice.



Score Interval Table example

Score Interval Tables will be displayed in 1% intervals and include the score range for each percentile.

SCORE RANGE MIN	SCORE RANGE MAX	INTERVAL %	CUMULATIVE %
501	505	2%	2%
506	516	1%	3%
517	524	1%	4%
525	532	1%	5%
533	538	1%	6%
539	545	1%	7%

Score Percentile Ranking

Produce the credit score disclosure model form exception notice without the added time and expense of maintaining multiple score distribution graphs or creating the statement from multiple score interval tables.

- Receive automatic updates to ensure that you always have the most current data, and eliminate the need for manual graph pulls and integration into notices
- Available as an add-on to the online credit report, the score percentile ranking allows you to populate the percentage directly in the text statement
 - » Example: "Your credit score ranks higher than [X percentage] of U.S. consumers"
- Available on the following scores:
 - » FICO® Score 9
 - » FICO® Score 8
 - » FICO® Score 4
 - » FICO® Score 98
 - » FICO® Score 95
 - » FICO® Auto Score 8
 - » FICO® Auto Score 4
 - » VantageScore® 2.0
 - » VantageScore®

Model excerpt from sample form notice

B-4. Model form for credit score disclosure exception for loans not secured by residential real property

[Name of Entity Providing the Notice]
Your Credit Score and the Price You Pay for Credit

Your Credit Score	
Your credit score	[Insert credit score]
Source:	[Insert source]
Date:	[Insert date score was created]

Understanding Your Credit Score															
What you should know about credit scores	Your credit score is a number that reflects the information in your credit report. Your credit report is a record of your credit history. It includes information about whether you pay your bills on time and how much you owe to creditors. Your credit score can change, depending on how your credit history changes.														
How we use your credit score	Your credit score can affect whether you can get a loan and how much you will have to pay for that loan.														
The range of scores	1 Scores range from a low of [Insert bottom number in the range] to a high of [Insert top number in the range]. Generally, the higher your score the more likely you are to be offered better credit terms.														
How your score compares to the scores of other consumers	2 <table border="1"><caption>Score Distribution Graph Data</caption><thead><tr><th>Score Range</th><th>% of Consumers</th></tr></thead><tbody><tr><td>[0-100]</td><td>10%</td></tr><tr><td>[101-200]</td><td>15%</td></tr><tr><td>[201-300]</td><td>20%</td></tr><tr><td>[301-400]</td><td>30%</td></tr><tr><td>[401-500]</td><td>15%</td></tr><tr><td>[501-600]</td><td>10%</td></tr></tbody></table> <p>OR</p> 3 [Your credit score ranks higher than [X] percent of U.S. consumers.]	Score Range	% of Consumers	[0-100]	10%	[101-200]	15%	[201-300]	20%	[301-400]	30%	[401-500]	15%	[501-600]	10%
Score Range	% of Consumers														
[0-100]	10%														
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[201-300]	20%														
[301-400]	30%														
[401-500]	15%														
[501-600]	10%														

- 1 Model score minimum/maximum values are available for eight major scores offered. The minimum/maximum values represent constant score values unique to each model.

To populate this section of the model form exception notice:

- 2 Use the Score Distribution Graphs

OR

- 3 the TransUnion Score Percentile Ranking or Score Interval Tables

* For illustration only. This is one of the model form notice examples from the risk-based pricing regulations. Please note: TransUnion does not deliver the completed model form. Score Distribution Graphs, Score Interval Tables and the Score Percentile Ranking are available to assist lenders in completing the model forms.

Learn More

To be fully prepared to comply with the Risk-Based Pricing Rule, please contact your sales representative today, or call [866-922-2100](tel:866-922-2100).

