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.

<table>
<thead>
<tr>
<th>SCORE RANGE MIN</th>
<th>SCORE RANGE MAX</th>
<th>INTERVAL %</th>
<th>CUMULATIVE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>505</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>506</td>
<td>516</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>517</td>
<td>524</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>525</td>
<td>532</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>533</td>
<td>538</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>539</td>
<td>545</td>
<td>1%</td>
<td>7%</td>
</tr>
</tbody>
</table>

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”
Model excerpt from sample form notice

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

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.