



Online Lender Solutions

**Risk Mitigation And
Decisioning For The
Online Lender**

Intelligent Data for Smart Decisions



A First Advantage Company

Solutions For Online Lenders

INCREASE YOUR NET PROFITS WITH TELETRACK'S RISK MITIGATION INFORMATION

Making wise decisions requires more information than you can gather online. That is why Teletrack developed tools specifically for the online lender. These tools are designed to provide you with real-time information that data provided by the consumer simply cannot deliver. Teletrack has the nation's most extensive database of information on high-risk, non-traditional credit consumers. With nationwide coverage, you can be assured that Teletrack will assist you in reducing losses and increasing the net profitability of your online business.

Whether you are processing payday advance or installment loan transactions, Teletrack recognizes that rapid processing is critical to your operations. You can be confident that your transactions will be processed with speed and reliability that is unmatched in the industry.

THE BENEFITS OF USING TELETRACK

Teletrack provides you with the ability to view a consumer's payment history and helps predict how he or she may behave in the future. This critical information alerts your system if the applicant has a history of charging-off on non-prime finance, rental or service agreements; has two or more open loans or is attempting to use a fraudulent Social Security number (SSN). Teletrack's data includes information from a

variety of businesses, including payday loan companies, rental purchase stores, cable/telecom companies, consumer finance businesses, auto lenders and credit unions. Teletrack's unique data includes credit inquiries, account charge-offs, paid charge-offs and open loan data from businesses whose target market is primarily high-risk, non-traditional credit consumers. The Teletrack databases also include Landlord/Tenant Court Records (eviction data) from across the U.S. and consumer bankruptcy data.

HOW THE PROCESS WORKS

Incorporating Teletrack information into your advance origination process is easy. You initiate the inquiry processes by sending the applicant's information. The applicant data undergoes a detailed comparison against the information stored in our databases. You receive information about charge-offs, paid charge-offs, inquiries and open loans from other lenders.

Teletrack also informs you if the applicant is attempting to use a fraudulent SSN, has acquired multiple loans or has recently applied for a loan. Once all of the applicant criteria are matched, Teletrack sends this information back to you in seconds.

Teletrack's automated skip-tracing services are included with your basic service. When you begin to use Teletrack, we enter all of your charged-off accounts into our database. Whenever one of your charge-offs engages the services of any of Teletrack's thousands of contributing businesses, we immediately obtain new information about the applicant and send it back to you.

POSITIVE LOAN DATA

Teletrack's positive loan data allows you to evaluate an applicant based on past repayment history, current loan balance and total number of open loans. This data is designed to enhance your ability to meet your target approval rate by providing additional information about a consumer's performance on non-traditional finance arrangements. Positive loan data is included with basic service for clients that access Teletrack via XML. Positive loan data includes information about open and paid loans gathered from Teletrack's data contributors, such as payday lenders.

For each individual loan, Teletrack supplies the name of the lender, date opened, date due, reported date,

Why Choose Teletrack?

- **Speed of Processing - Get a response in under 3 seconds**
- **Designed for Online Lenders - CyberScore™ was created using online transaction data**
- **Reliability and Uptime - Redundant data centers for 24/7/365 access**
- **Value-Added Intelligence - Access identity verification, bankruptcy data and decisioning**

date paid and original loan amount, including fees. Teletrack's positive loan data helps you maximize your ability to understand the debt level of the applicant. With this information, you are able to see the complete credit cycle from inquiry to loan. The loan amount and dates provided help you decide the right amount to lend based on the applicant's past performance on other finance arrangements. In addition, Teletrack identifies the type of loan that was issued — payday advances or installment loans.

BANKRUPTCY INFORMATION

A Teletrack bankruptcy report informs you of critical applicant information, such as the date the consumer filed, the location of filing, whether the consumer filed Chapter 7 or Chapter 13 and the current disposition or status of the case. Teletrack's bankruptcy data assists you in your application verification process by validating the information provided by the consumer on the application and providing you with a better assessment of the consumer's current financial status.

If Teletrack reports that an applicant has filed for bankruptcy protection, you choose your course of action based on your own business rules. There are different risks associated with the type and status of each filing. Teletrack provides you with all the relevant bankruptcy case details you need to assess an applicant's ability to complete the financing terms.

IDENTITY VERIFICATION

Teletrack makes verifying the identity of consumers easy. Existing customers can access Teletrack's identity verification service and receive valuable insight into the potential fraud risk associated with a transaction.

Identity verification is a process that takes basic consumer identification data elements and validates that the information presented during a transaction has previously been associated with the consumer data provided on the application. This associated data is analyzed across Teletrack's data sources to help you confirm the consumer's identity and uncover inconsistencies that may indicate potential fraud. Teletrack also returns association and comparison matching information between the consumer name, SSN, address, date-of-birth and phone number using existing charge-off, inquiry and open loan data reported

from thousands of businesses across the country. When you access Teletrack's powerful, real-time data validation you receive a near instantaneous validity check.

Teletrack's identity verification service verifies identity data, reports inconsistencies with consumer information, provides match and warning factors and delivers a confidence score. The confidence score is calculated and returned to you along with detailed match and warning factors associated with the applicant so that you can develop a strategy to confirm the consumer's identity.

MICR DATA

Teletrack's Magnetic Ink Character Recognition (MICR) data offering is designed to provide feedback regarding the validity of the data submitted and the existence of multiple accounts for the same consumer or multiple consumers using the same account. In addition, Teletrack reports if the submitted SSN has been previously associated with the MICR data. This value-added data helps prevent fraud and reduce losses by highlighting conditions that may require further verification.

MICR Validation — Teletrack's MICR data validates the routing transit number (RTN) and indicates account restrictions. While the system does not report the status of funds in the account, Teletrack confirms that the account number follows the financial institution's format. Teletrack also reports the name and phone number of the financial institution and the Automated Clearing House (ACH) conditions for the financial institution, including the ability to receive ACH credits and/or debits. The RTN status indicates if the routing number is active or retired.

MICR & SSN Association — An indicator of potentially fraudulent behavior can be uncovered by examining an applicant's past relationship with MICR data, as well as examining the relationship of MICR data with other applicants. Teletrack's system indicates if the MICR-SSN combination has been reported in the past, if the applicant's SSN has been associated with other MICR data and if other SSNs have been submitted with the MICR data. The existence of these relationships does not necessarily imply fraudulent behavior, but excessive accounts for a consumer or multiple consumers with the same account may require further investigation.

DECISIONING WITH CYBERSCORE™

Teletrack offers scoring and decisioning capabilities to help you bring consistency, control and speed to your origination and approval process. DecisionManager™ is a powerfully advanced, automated decision engine that provides your organization with a systematic method for implementing consistent, risk-based lending decisions. When you use DecisionManager, consumer data is automatically analyzed against CyberScore™, our industry-specific scorecard, in conjunction with your business rules. This automated process delivers an approval or denial of the application in seconds.

CyberScore is a credit scoring model designed specifically for Internet lending. This empirically derived model can be used on its own or in conjunction with DecisionManager to facilitate the automated processing of online loan applications. CyberScore was created using online payday advance performance data to more accurately calibrate the probability of default using data that strongly correlates with payday advance transactions processed online.

CyberScore applies different weights to inquiries and loan data reported by online lenders as opposed to activity reported by storefront lenders. Online lenders can use CyberScore in conjunction with DecisionManager to prescreen applicants for payday advance and installment loan transactions.

For approved applicants, you can tailor the loan amount based on income, frequency of pay and risk score. In combination, these powerful tools provide you with the flexibility to structure your credit risk policies, moving you beyond risk mitigation to opportunity maximization.

DECISION MANAGER™ FOR INSTALLMENT LENDING

DecisionManager allows you to qualify consumers for installment loans using Teletrack and traditional credit bureau data either on a standalone basis or with an application for a payday advance. If the applicant does not meet or exceed the minimum CyberScore established by you, a traditional credit report is not acquired — saving you the expense of obtaining a

Why DecisionManager?

- **Adaptability**
- **Control**
- **Consistency**
- **Speed**
- **Scalability**

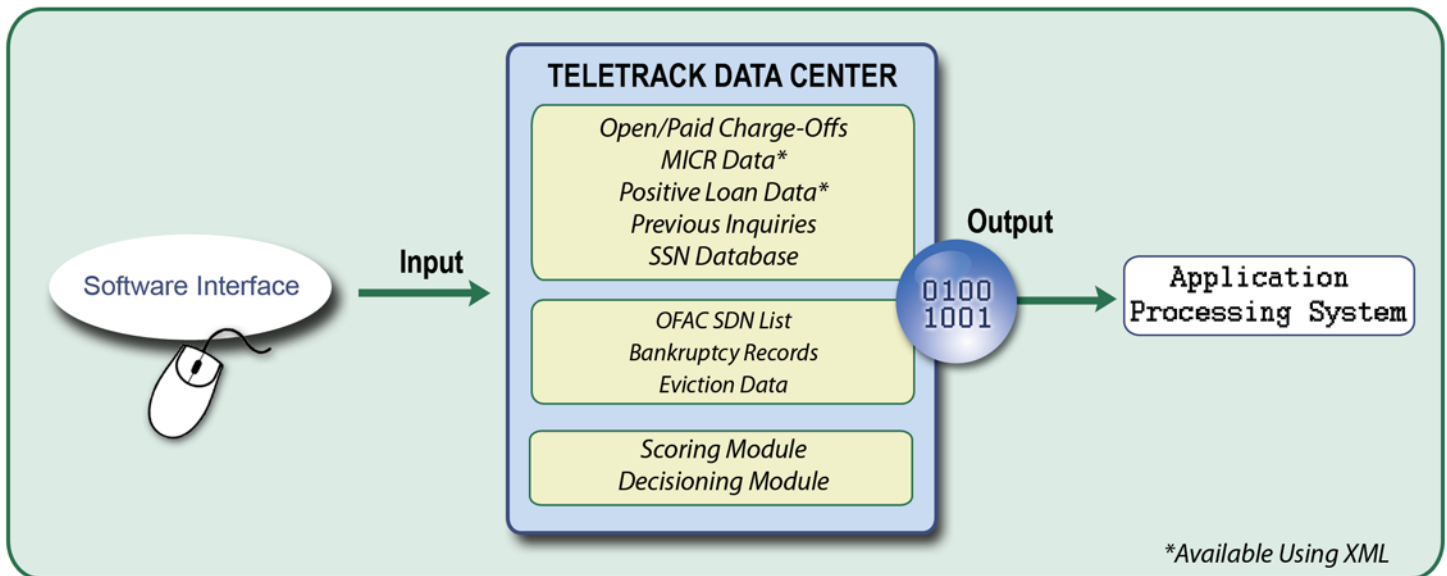
traditional credit report. When an applicant passes your installment loan criteria based on Teletrack data, application information and your business rules, a traditional credit report is secured and examined as part of the underwriting process. This integrated feature makes your underwriting process seamless and, ultimately, saves you money.

Teletrack's underwriting process for installment loans, including traditional credit bureau data, is virtually instantaneous and ensures that decisions are made quickly and consistently throughout your organization. The consumer's FICO® score and a system generated debt-to-income ratio can be used to determine approval or denial. Expanded use of Teletrack's DecisionManager also allows you to assign an appropriate loan amount based on various factors, which could include the consumer's income.

Your integrated loan software can direct our system to evaluate the applicant for a payday advance and an installment loan concurrently, or evaluate the applicant for only an installment loan. You can decide which process to apply based on your policies.

Maximize The Number Of Consumers You Can Serve! Visit Us On The Web At www.teletrack.com/online Or Contact Us At 1.800.729.6981.

HOW THE PROCESS WORKS



ACCOUNT ALERT SERVICE

By the time you discover that a consumer is about to become a charge-off, it may be too late to take action. Using our Account ALERT service, you can designate specific types of status changes to closely monitor. You can choose to receive an alert based upon a charge-off, paid charge-off, bankruptcy and other status changes. You can prioritize accounts for early collection or alter your collection strategy to pursue recovery tactics at a critical time — before the account becomes a costly charge-off. For example, a charge-off alert can warn of an account that has just charged-off with another lender, prompting you to prioritize that account accordingly. Knowing if a consumer has just charged-off with another creditor, paid a charge-off or filed bankruptcy allows you to prioritize your collection processes.

OFAC ACTIVITY REPORT

As a result of the events of September 11, the Patriot Act was signed into law in October 2001. Enforcement of the Patriot Act falls under the authority of the Office of Foreign Assets Control (OFAC), a branch of the U.S. Department of the Treasury. OFAC has the authority to exact control over financial transactions occurring under U.S. jurisdiction.

Teletrack developed its OFAC Activity Report to help ensure that businesses remain informed and do not

unknowingly provide money, goods or services to individuals being monitored by OFAC. According to the U.S. Department of the Treasury, institutions that perform financial transactions must comply with the laws set forth in the Patriot Act. OFAC requires these types of companies to check OFAC's list of "Specially Designated Nationals" (SDN) as part of the application process. The SDN list is maintained by OFAC and names are added and deleted from the OFAC SDN list frequently.

Teletrack's OFAC Activity Report offers businesses an automated method for cross-checking the list that does not slow the approval process. Working in conjunction with your regular Teletrack service, the OFAC Activity Report quickly identifies inquiries initiated on a consumer who may closely match an entry on the OFAC SDN list. Teletrack checks the SDN list daily for updates. Teletrack's OFAC Activity Report service is an easy and inexpensive tool to help you make sure your business is acting in accordance with the law.

Visit <http://www.treas.gov/offices/enforcement/ofac> for more information on the Patriot Act, OFAC regulations and compliance guidelines.

THE INFORMATION PRESENTED ABOVE IS NOT INTENDED AS LEGAL ADVICE AND DOES NOT COVER ALL ASPECTS OF OFAC COMPLIANCE. IF LEGAL ADVICE IS REQUIRED, THE SERVICES OF A PROFESSIONAL SHOULD BE SOUGHT.

Did You Know?

- Teletrack's highly predictive data is used in a variety of industries for scoring and predictive modeling
- Teletrack can help you comply with the Patriot Act by providing access to the OFAC SDN list on a real-time basis
- Teletrack has multiple databases to help you with everything from up front risk mitigation to back end skip-tracing
 - Charge-Offs
 - Paid Charge-Offs
 - Open Loans
 - Previous Inquiries
 - Consumer Identification Database
 - Bankruptcy Information
 - Landlord/Tenant Court Records
 - OFAC SDN List
 - MICR Data
- Teletrack is constantly evaluating and testing new data sources
- Teletrack is a wholly-owned subsidiary of First Advantage Corporation

ABOUT TELETRACK

Founded in 1989, Teletrack provides lenders and businesses with the actionable intelligence they need to make smart decisions. Businesses across the country access our consumer data for risk mitigation, identity verification, fraud detection and skip-tracing. In a climate of increased regulation, we give our customers the ability to manage "risk" well beyond mitigation to "opportunity maximization." Teletrack is a wholly-owned subsidiary of First Advantage Corporation, a leading risk mitigation and business solutions provider.

Teletrack receives information from a variety of sources. Our databases contain unique consumer information that isn't available from other information providers. When you use Teletrack, you gain *Actionable Intelligence* — the right information at the right time so you can make the right decisions for the right reasons. Actionable intelligence creates new opportunities for you and your applicants.

As an FCRA-compliant consumer reporting agency, Teletrack gathers records from businesses across the country that cater to non-traditional credit consumers. Using dual state-of-the-art data centers, Teletrack delivers unique data and decisioning solutions to a variety of businesses including payday loan companies, rental purchase stores, cable/telecom companies, non-traditional consumer finance businesses, non-prime auto lenders and credit unions. Teletrack's unique data includes credit inquiries, account charge-offs, paid charge-offs and open loan data from businesses whose target market is primarily high-risk, non-prime consumers. The Teletrack databases also include Landlord/Tenant Court Records from across the U.S. and consumer bankruptcy data.



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