

LexisNexis® Loan Shopper Attributes

# Identify loan stacking behavior of high velocity applicants



## Understanding an applicant's borrowing behaviors can help uncover nuances behind credit seeking activities to mitigate loan stacking

Traditional credit data, however, may leave gaps in visibility into the speed at which borrowers take out loans from other institutions — which can be a strong indicator of fraud.

The likelihood of fraud increases with each successive, simultaneous loan a borrower is approved for:

### 4x higher risk

when borrowers take out two successive loans in 15 days<sup>1</sup>

### 10x higher risk

when borrowers take out three loans in 15 days<sup>1</sup>

Borrowers who apply to a multitude of lenders quickly are known as high velocity applicants, and they can go largely undetected by traditional credit data before it's too late.

Without access to real-time data and predictive insights, lenders may be putting their organization at risk of extending credit to individuals who may never intend to repay.

Creating a balanced fraud and credit risk strategy requires deeper visibility into applicant behaviors and intentions.

LexisNexis® Loan Shopper Attributes gives lenders a nuanced and granular view of applicant behavior to help differentiate bad actors from savvy shoppers, improving fraud and credit risk decisions and mitigating loss.

## High velocity applicants fall into three categories:

- 1 **Shoppers**  
Legitimate applicants who rapidly solicit pricing from various lenders to find the best rates.
- 2 **Over Extended Borrowers**  
Applicants with poor credit who rapidly apply for loans they intend to, but won't be able to, repay.
- 3 **Stackers**  
First-party fraudsters who rapidly apply for loans with no intention of repaying.



Traditional credit bureaus update credit data once every 30-45 days<sup>2</sup>

1. Wall Street Journal, "Borrow or Fraudster? Online Lenders Scramble to Tell the Difference." 2016, <https://www.wsj.com/articles/borrower-or-fraudster-online-lenders-scramble-to-tell-the-difference-1477580637>.

2. CapitalOne, "How often does your credit score update?" 2023. <https://www.capitalone.com/learn-grow/money-management/how-often-credit-score-update/>.

LexisNexis Loan Shopper Attributes is fueled by a vast network of contributing organizations, dedicated to creating a more comprehensive, more up-to-date picture of U.S. consumer and small business lending activity.

## Leverage collective loan-shopping data

This solution combines collective inquiry signals with industry-leading linking technology and analytics to enable lenders to better assess an applicant's intentions and actions. This provides an up-to-the-minute look into an applicant's credit-seeking behavior at other lenders over the last 90 days, across multiple points in the loan origination process.



Gain network-level visibility



Leverage data from multiple industries



Measure early and later-stage behaviors

## Tap into near real-time insights

### GLBA fraud insights

Gain the earliest possible look at lending velocity to identify fraud risk sooner.

**13 attributes** indicate the number of inquiries with a matching LexID® identifier from the last 90 days, down to the last hour.

### FCRA credit insights

Effectively address stacking at any point in the lending process.

**156 attributes** indicate the number of inquiries in the last 90 days across multiple lending products at triggering events:

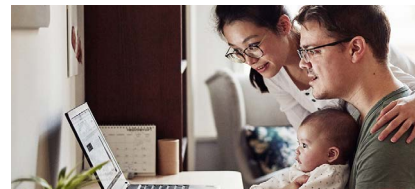
- Application
- Credit Approval
- Acceptance
- Funding



Increase your view of high velocity applicants

Contact your LexisNexis® Risk Solutions representative to learn more:

866.528.0780 | [risk.lexisnexis.com/products/loan-shopper-attributes](https://risk.lexisnexis.com/products/loan-shopper-attributes)



## About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit [www.risk.lexisnexis.com](http://www.risk.lexisnexis.com) and [www.relx.com](http://www.relx.com).