# LexisNexis® RISK SOLUTIONS

The Underwriting Data Lexicon

A standard framework to understand and align on the influx of diverse data types

Lenders are navigating an increasingly complex data environment

As borrower behaviors change amid a dynamic economy, conventional data alone—like balances, payment histories and utilization rates—may be becoming less reliable to assess creditworthiness.

20%
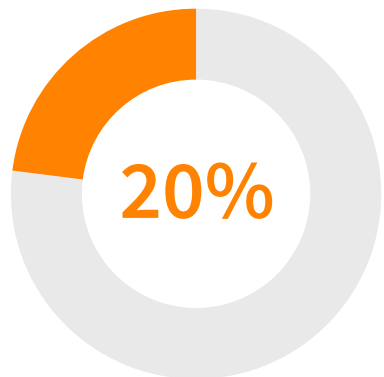
20% of lenders say credit reporting policy changes are their greatest challenge with traditional data[1]

59%
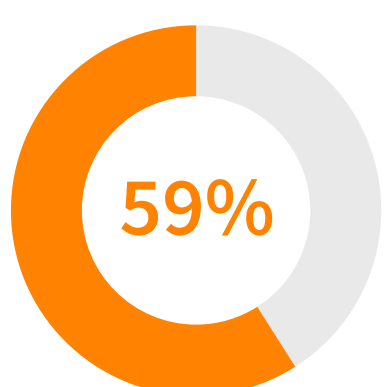
59% say that nearly **50%** of applicants can't be scored using traditional data alone[1]

Additional data sources are increasingly being used to fill in the gaps—but the industry needs alignment on what they are and how they should be used.

Without shared definitions surrounding expanded datasets, it can be challenging to communicate within the industry and effectively compare solutions.

Exploring and defining the 4 data categories

While data sources will continue to evolve, defining these categories brings structure to a rapidly shifting landscape.

Traditional credit data

What is it?
Historical lending and repayment data combined with public record information (e.g. credit bureau reports, payment history, etc.).

How can it be used?
Provides a baseline view of credit management behavior, though increasingly seen as incomplete on its own, especially for consumers with short credit histories.

Alternative data

What is it?
Credit and life event insights not typically found on traditional credit reports. Alternative data is not credit account information.

How can it be used?
Supplements traditional data with both financial and behavioral signals to help strengthen credit decisioning and fill visibility gaps. Already a mature and actionable data source in use at scale.

Open banking data

What is it?
Consumer-permissioned financial data accessed directly from financial institutions (e.g. DDA and credit card transactions, account balances, cash flow, etc.).

How can it be used?
Widespread adoption is challenged by privacy concerns and regulatory uncertainty. As of now, it can be a complement to—not a replacement for—alternative data.

### Emerging & specialized data

What is it?
Expansive, behavior-based data generated from digital interactions or devices (e.g. online activity, text or voice analytics, survey responses, etc.).

How can it be used?
It has limited applicability today, as it remains mainly unregulated and unreliable for risk assessment. Not currently appropriate for credit decisioning.

Alternative data provides a clearer path forward

Of all available expanded datasets, alternative data offers a more robust opportunity for lenders today, providing a broader, more accurate picture of consumers across the entire credit spectrum. It is scalable and ready to deliver meaningful impact in the current market.

67%
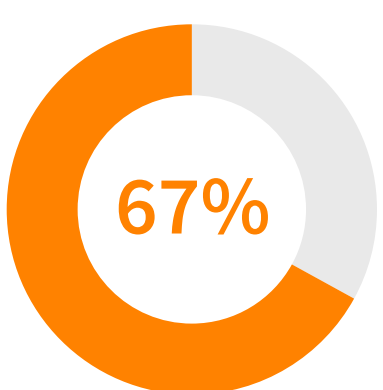
67% of lenders report greater confidence when using alternative data compared to a year ago[1]

76%
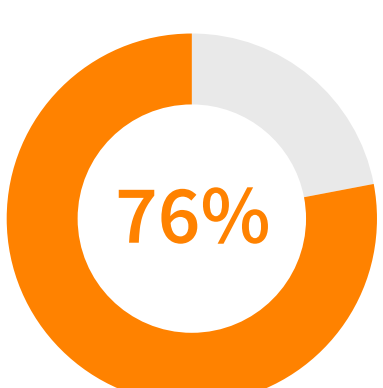
76% of lenders saw an improvement in their organization's portfolio performance from using alternative data[1]

LexisNexis® Risk Solutions is the trusted leader in alternative data, empowering lenders to modernize decisioning and responsibly expand access.

It's time to leverage smarter, more connected credit decisioning

Move beyond the limits of traditional credit and unlock more robust and actionable data with LexisNexis® Risk Solutions.

risk.lexisnexis.com/defining-alt-data