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The Brookings Institution

1775 Massachusetts Avenue, NW, Washington, D.C. 20036



Roundtable on Using Alternative Data Sources in Credit Scoring

Challenges and Opportunities

PAID

Payment Aggregation & Information Dissemination
December 15, 2005 • Hosted by the Brookings Institution, Washington, D.C.



Introduction

The marketplace functions fairly efficiently for eighty percent of the U.S. adult population, but the other twenty percent hardly participates in the mainstream economy at all. This twenty percent, or approximately fifty million individuals, are limited in their access to capital, primarily because they lack the information in their

credit files that can generate a credit score. This thin credit file or lack of a credit score impedes lenders' ability to make credit decisions that can enable persons to buy a home or car, or to gain access to capital for a business venture.

This current state of affairs presents challenges and opportunities for the utility, telecommunications, cable and financial

industries. How can we enhance more people's access to capital which will enable them to build wealth and, in turn, to become better customers and consumers of our services?

These are the issues and questions which will be addressed in the Roundtable on Using Alternative Data Sources in Credit Scoring on December 15, 2005 at The

Brookings Institution, 1775 Massachusetts Avenue, NW, Washington, D.C. 20036. See www.brookings.edu/metro/umi.htm or www.assetbuilders.org. Asset Builders of America, Inc. thanks all Roundtable participants for your interest and participation.

Roundtable

8:00 A.M. REGISTRATION

8:30 A.M. WELCOME
& FRAMING THE ISSUE

Encouraging Alternative Credit Data Sources in Credit Scoring

Pari Sabety, *Brookings Institution*

Michael Turner, *Information Policy Institute*

Congresswoman Loretta Sanchez

9:15 A.M. EVIDENCE FROM THE FIELD

The Case for Reporting Customer Data To Credit Bureaus—Delinquencies and charge offs, customer benefits, competitive advantages, branding

Chet Wiermanski, *TransUnion*

Marcia Johnston, *Verizon Communications*

John Zaganczyk, *WE Energies*

Jim Linn, *American Gas Association*

10:30 A.M. BREAK

10:45 A.M. ISSUES AND OBSTACLES

Full File Reporting—Costs, FCRA, data furnisher obligations, data verification, dispute resolution, technological commitments, transitional costs, regulatory uncertainty

Stuart Pratt, *Consumer Data Industry Association*

Bob Ryan, *TransUnion*

NOON LUNCH

Mainstreaming Consumers: Challenges and Opportunities

James Carr, *Senior Vice President, Fannie Mae Foundation*

Agenda

1:00 P.M. ALTERNATIVE APPROACHES

Alternative Scoring and Other Consumer Focused Innovations

Janice Horan, *Fair Isaac*

Carina Bell, *First American*

Michael Nathans, *PRBC*

2:30 P.M. BREAK

2:45 P.M. BROADER IMPACT

Broader Impact of Non Traditional Data Reporting—Does this help all consumers, or will there be negatives for some?

Glen Canner, *Federal Reserve*

Jesse Leary, *FTC—Credit Based Insurance*

Evan Hendricks, *Privacy Times*

3:45 P.M. CLOSING SESSION

Insights Gleaned and Direction for the Future

Susan Keating, *National Foundation for Credit Counseling*

Bill Mayer, *Edison Electric Institute*

4:30 P.M. ADJOURN