# BEworks has enhanced the full credit and debt journey

### Credit risk assessment

- Providing alternative data points for credit risk assessment
- Assessing credit risk in the absence of credit scores
- Creating new client cohorts
- Enabling differential lending rates

# Product activation and credit usage

- Preventing missed payments
- Helping clients graduate to lower risk bands
- Understanding the debt hierarchy
- Helping clients prioritize competing debt accounts

# Collections management

- Increasing repayment frequency and amount
- Increasing speed to repayment
- Getting repayment plan breakers back on track

# **Consumer Debt Behavior: Key Insights**

Key insights we've built on as we've tackled consumer credit and debt challenges over 12 years...



### **Credit Risk Assessment**

- People underestimate how often they'll use a new credit card.
- People don't budget for atypical expenses when predicting their future spending.
- Healthy credit usage behaviors are particularly likely when consumers see credit as helpful but also potentially risky.



### **Product Activation and Credit Usage**

- People would rather pay off a low-interest debt than pay down a high-interest debt due to the debt account aversion bias.
- People are overconfident about their ability to control future spending and increase income. This takes the urgency out of paying down debt.
- Debt repayment is private and invisible. This makes it less socially reinforcing than other competing money behaviors (e.g., renovating one's house).



### **Collections Management**

- When in debt, people miss seeing new debt solutions that could help them and turn to familiar ones that have failed them in the past.
- People are likely to believe a message is fraudulent if it has an urgent tone.
- People don't pay down debt because their future self is a stranger and they feel little empathy for that person.

