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VeraScore Pioneers Financial Health Platform to Displace Traditional Credit Rating Models

The platform will enable millions of Americans to have a more level playing field in accessing credit

San Francisco, CA, September 27, 2022: VeraScore, an innovative AI platform for measuring consumers' financial health, is introducing a SaaS-based model that will allow lenders to more accurately and fairly extend credit. This will enable them to increase their pool of borrowers while lowering the risk of extending new loans. According to the Federal Reserve Bank of New York, there is currently more than \$16 trillion in consumer credit outstanding, but financial institutions are not able to properly measure and assess over 45 million additional Americans who do not have an accurate credit score.

VeraScore's patent-pending platform is fundamentally different to the legacy credit rating model. While FICO scores, and those provided by Experian, TransUnion, and Equifax, are one-time snapshots that rely on weeks-old reporting from lenders, VeraScore delivers detailed near real-time analysis of a consumer's financial health. It does this by assessing all relevant financial information, including comprehensive bank accounts, salary, mortgage, loan, and other proprietary data. By deploying AI and machine learning, VeraScore then calculates a series of precise metrics of the individual's borrowing power. As a result, banks and other lenders have a more accurate – and equitable – way to extend credit.

"Credit scores are an attempt to put a number on a person's character. At VeraScore, we see the world differently." said Geff Woodward, CEO of VeraScore. "By providing a transparent and objective measure of the overall financial health of an individual on a continuous basis, VeraScore empowers users to quickly influence their attractiveness to lenders by modifying their behavior."

The ability for VeraScore customers to make a measurable short-term impact on their financial health score by improving savings rates and other personal habits contrasts with credit ratings, which are based on aged third-party reporting, and are inherently prone to inaccuracies and stale data.

"Most people have a negative view of credit ratings. And for good reason," said Trond-Henning Olesen, Chief Technology Officer of VeraScore. "The legacy model rewards those with access to the most credit and punishes individuals for years simply on the basis of one late payment or lack of credit history. What's worse, millions of Americans don't have access to credit at all. We've addressed this problem head-on, delivering a transformative platform that will help the neediest in society, while better equipping lenders to manage all consumer credit risk."

The new SaaS platform will create a more equitable lending framework for under-served communities, and will be available following the completion of its seed financing round.

ABOUT VERASCORE

VeraScore is an innovative AI platform for measuring and managing financial health. The SaaS-based technology allows lenders to more accurately assess the true strength of a borrower's financial position, while promoting financial literacy for consumers and helping them to build financial health and become more attractive to lenders.

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