

Q. If you are reporting loans modified as current but putting the AW comment code. Will that work? Not using the 44, 45 or 58 codes.

If your Accommodation Plan under the CARES Act, is to modify the loan, follow FAQ 67. Please review with your legal compliance department regarding the use of Special Comment AW (Natural Disaster) vs CO "Loan Modified".

Q. I've proposed to the Student Loan Servicing Alliance that CDIA creates a new Account Status for this situation, since AW is simply a band-aid that will eventually get removed. Can Experian work with CDIA to create a new Account Status for "natural disaster" where it would be used in place of a delinquent Account Status and a value of "D" would fall into the PHP so that the consumer is never harmed?

Through our Metro 2 Task Force members, Experian will raise the topic. Please understand that the creation and implementation of new Account Status codes is not something that happens quickly. If a new status (or other field) were to be approved, all furnishers/processors would need to code their systems to provide the new status code, the CRA's need to enhance their processing and display systems for the new code, and all lenders would need to enhance their systems to accept and determine decisioning for the new code. Risk Models and Attribute programs would also need to be modified to recognize and properly use new codes. Given the timing to complete these activities, this may not be a viable option at this time.

Q. Why isn't the direction to simply replace all delinquent values in the PHP with "D" across the board during this pandemic period? There isn't much value in reporting delinquency when the entire nation is impacted for the most part.

While there are many impacted consumers during this pandemic, the CARES Act requires that the consumer work with the lender for an accommodation. Replacing all delinquent values in the PHP with "D" during the pandemic may further compromise the data for use in underwriting.

Q. How many lenders are you seeing not reporting delinquent trades?

If and as we identify reporters that are not reporting any delinquencies on their update files, we are reaching out to discuss reporting practices and reiterating the CARES Act guidelines. Most organizations are following CARES Act guidelines.

Q. Do accounts that are granted skip payments need to be coded 44 deferred?

If your Accommodation Plan with the consumer is to skip payments, please follow the CARES Act guidelines regarding

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whether the consumer is current or delinquent entering the Accommodation Period. FAQ 44 further defines the reporting of Deferred (including Terms Duration = Blank and Terms Frequency = D). You should discuss reporting the accounts as Deferred with your legal/compliance team based on the agreement in place with the consumer.

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Q. If we are doing a one-month skip-a-pay for anyone claiming to be affected by COVID-19, do I need to enter the AW Special Comment code? We are advancing the due date 1 month.

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If your Accommodation Plan with the consumer is a one month skip-a-pay, please follow the CARES Act guidelines regarding whether the consumer is current or delinquent entering the Accommodation Period. Augmenting the reporting with Special Comment "AW" is recommended to further identify the reason for the skip-a-pay.

Q. For the 88MM deferral comment codes that have already come in, how many different consumers does that represent?

The comment about ~88M codes represented the total number of Deferred, Forbearance, and Natural Disaster codes currently on Experian's database. The largest increase comes from Natural Disaster codes being reported with Deferred and Forbearance remaining relatively flat. This equates to ~ 32M consumers having at least one condition present on their credit profile.

Q. Can you provide more insights on the score impact where there is an up and down arrow? What can cause an increase or a decrease? Is that a function of the type of trade line being deferred? The current credit score (prime vs. subprime)?

A credit score takes in the full information on a consumer's credit profile and the score increase/decrease amount is going to be dependent on what else is on their file and where their score started out. Typically, a consumer starting in a subprime tier will see a greater positive impact from positive information and a consumer starting in a prime tier will see a greater negative impact from negative information.

Q. How long should special credit reporting comments (AW for instance) be reported in our monthly files to CRAs? For example, we defer loan payments for 60 days. Should we stop reporting the special comment codes after 60 days?

Special Comments should be reported for as long as the condition applies. If you are reporting Special Comment AW during a 60-day deferred payment period, you would remove the reporting of AW following the end of the Accommodation period.

Q. Are these COVID-specific reporting accommodations unique to Experian or the taxonomy also being used by EFX, TU, FICO et al to ensure consistency and industry continuity?

The CARES Act reporting guidelines are not unique to Experian. Working with the other CRA's and CDIA, the guidelines were published to ensure consistency and ease in implementation for furnishers.

Q. Could you re-touch on the Clarity comment, please? Non-prime consumers are reportedly the hardest hit segments by the COVID situation yet this data appears fully segregated from the core Experian credit files.

Clarity data is managed in a separate CRA database from Experian's traditional credit information. They offer different products such as credit reports, attributes, and scores available specific to this data source. This is an additional source of information that will be useful at this time. Your Sales team can assist you in reviewing the Clarity solutions and access.

Q. Do you have to report the SCC if you have agreed to a Forbearance because of the disaster?

If your Accommodation Plan under the CARES Act is a Forbearance plan, follow the CARES Act reporting guidelines. FAQ 45 provides additional details related to Forbearance codes.

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Q. Is it correct that if we add a special comment code we will need to remove that code when the account is returned to regular payments?

Special Comments should be reported for as long as the condition applies. Remove the reporting of AW following the end of the Accommodation period.

Q. If an account was in the midst of being foreclosed, can they apply for forbearance relief?

Experian cannot respond to this question. Please review with your Legal/Compliance team.

Q. We have heard some furnishers are automatically placing Special Code AW on accounts based on FEMA regulations without knowledge or permission of the consumer. Can they do this? If so, could consumers be adversely affected?

Automatically placing Special Comment Codes on consumers does not follow the CARES Act guidelines. Although FEMA may have utilized this approach during other Natural Disasters, the CARES Act guidelines indicate that the initiation of reporting is based on an Accommodation Plan being agreed upon with a consumer.

Q. Are you concerned about an increase in credit repair or debt management scams?

Experian is constantly monitoring all disputes received in order to identify and protect against credit repair scams.

Q. So just to make sure I am understand that there wont be any negative credit reporting at this time?

Based on the CARES Act guidance, consumers that have received an Accommodation will not have new or progressive delinquencies reported during the Accommodation period. For consumers that have not received an Accommodation, report according to standard Metro2 guidelines.

Q. Do you see that most people are using comment codes or simply reporting \$0? What percentage of accounts are you seeing provide forbearance/accommodations and does that vary by product type?

Throughout the month of April, we have seen both an increase in Special Comment AW being reported as well as "Payment Holidays" being reported with \$0 Scheduled Monthly Payment Amounts (with other fields as outlined by the CARES Act). Forbearance typically accompanies Student Loan and Mortgage where the Payment Holidays are reported by Card Furnishers and Auto Lenders.

Q. Can you give more details on the decrease in inquiries?

Inquiries decreased through the early days of the pandemic as companies implemented their Work from Home Strategies. Many companies were also trying to determine safe lending as part of their COVID-19 plans.

Q. You stated these specific 'critical fields' are in the CARES Act? If so, I would like to know exactly where that came from?

The Critical fields identified are those that align to reporting to the specific CARES Act guidelines. The Critical fields are Metro 2 fields that outline the best way to report according to the CARES Act guidelines.

Q. For mortgage pandemic loan deferments, should we be using code 45 or 58?

Experian cannot respond to this question. Please review with your Legal/Compliance team as you ultimately need to

determine which of the Special Comment Codes to use to best represent the Accommodation Plans you are providing to your consumers.

Q. Is this Webinar based only on “consumer” credit? I am looking for information regarding business to business transactions.

Yes, this webinar was based on Consumer credit. We will have one of our Commercial Business Data Consultants contact you.

Q. Is this correct . . . using a special comment code does not cause the reporting status at that time (current or delinquent) to “stick” so long as the special code is reported. Rather, to maintain “current” or “delinquent” status during an accommodation, it is necessary to report the correct “critical fields” per account as discussed in the presentation?

The reporting of the Special Comment and Status Codes are independent fields. The Special Comment does not cause the status to “stick” and each field must be evaluated independently as you create your update files to the CRA's.

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