

Overview

Since its launch in 1993, the FICO Small Business Scoring Service (SBSS) has been recognized as the premier service for small business credit risk assessment. The FICO SBSS solution is based on the analysis of millions of small business applications, consumer credit data and business credit data mixed with the combined experience of FICO and leading small business credit grantors.

Why use the FICO SBSS:

- Make smart decisions faster through decision automation and cutting edge analytics
- Improve regulatory compliance by decision transparency and consistency
- Make consistent decisions through all loan officers and branches
- Build a more profitable small business credit portfolio

To produce a SBSS Score, SBSS models use up to four data sources. They are:

1. Consumer credit reports, with FICO score, for the principals/guarantors
2. Business credit report from D&B or Experian with trade payment data, credit scores, bankruptcies, tax liens, judgments, collections and corporate record
3. Application data including owners income, net worth, check & savings balances
4. Business financial data such as total assets, total liabilities, sales, net worth, EBIT, and checking balance

Each piece is returned along with the score and reason codes as to why the score wasn't higher.

Why use the FICO SBSS through BCR:

- IMMEDIATE ACCESS with NO up-front FICO SBSS software fee of \$15,000
- NO programming or IT resources required
- NO 3-year commitment at a minimum \$43,000 with FICO direct
- Includes the business credit and consumer credit reports - no need for separate contracts

Quick Facts

- The Score ranges from 1 – 300 and is divided into Ranges
 - **Poor:** 1 – 160, 16% of applicants score in this range
 - **Fair:** 161 – 190, 29% of applicants score in this range
 - **Good:** 191 – 210, 45% of applicants score in this range
 - **Excellent:** 211 – 300, 10% of applicants score in this range
- General Score cut offs tend to be based on the score itself or the range
 - Low-end score cut offs range between 175 and 190
 - High-end score cut offs are around 230
- The Small Business Administration (SBA) utilizes the SBSS for their 7(a) loans
 - The SBA's SBSS cutoff for eligibility of a 7(a) loan under \$350,000 is 140
 - 9% of applicants score 140 or less, with 91% of applicants scoring over 140
- Term Loan, Line of Credit and Commercial Card models have been validated for up to \$1,000,000 while Leasing models have been validated for up to \$250,000.