Risky applicants misclassified as creditworthy. SWAPPED IN
Creditworthy applicants misclassified as high risk. SWAPPED OUT

Identify better borrowers.
ZAML enables you to swap out bad borrowers that may look good on paper with good borrowers that a traditional credit model might reject.

Reduce risk across the credit spectrum.
ZAML helps reduce the number of troubled loans issued to both prime and subprime borrowers.

Transform a vicious cycle of deleveraging into a virtuous one.
ZAML allows you to derisk your portfolio without turning down more borrowers down —and losing business.

Lower Risk Across Your Portfolio

Legacy credit models can easily misclassify risk.

ZAML models use more data and better math to more accurately classify risk.

30% risk reduction with the same size portfolio.

WWW.ZEST.AI
Discover, a leading U.S. consumer lender, turned to ZestAI in 2018 to help build one of the largest AI-based credit scoring solutions in the financial services industry. Zest data scientists and analysts worked closely with Discover to tap its trove of consumer spending data to build a new model for its $7.5 billion personal loans business. Its new ZAML model assesses hundreds of applicant data points, up to 10 times more than Discover’s credit model had used before, to get a more accurate view of borrower risk.

In the new machine learning model, for example, a history of discount-store shopping will boost an applicant’s chances of getting a personal loan, while an applicant writing the full legal name of an employer on a loan application will lower it. Applicants who call Discover from a landline or cellphone, rather than Skype or other internet-phone services, will be considered safer bets because they’re easier to trace back to an individual.

In a successful trial, Discover and Zest found that the inclusion of more data and more sophisticated math reduced default rates significantly, setting the stage for potentially tens of millions of dollars in credit savings. Meanwhile, the new underwriting process will also help Discover approve applicants it might have previously denied without significantly increasing portfolio risk.

“We found the best way to drive benefits faster was to complement our internal efforts with a partnership with Zest.”

Roger Hochschild, Discover Financial Services CEO

CASE STUDY
Avoid Big Losses, Make Bigger Profits

ZAML helps you safely approve borrowers across the credit spectrum and across a broad array of product categories, including:

- Auto Loans
- Credit Cards
- Mortgages
- Personal Loans
- Business Loans

Interested in learning more?
Visit our website at WWW.ZEST.AI or contact us at PARTNER@ZEST.AI