

Auto Fraud Manager



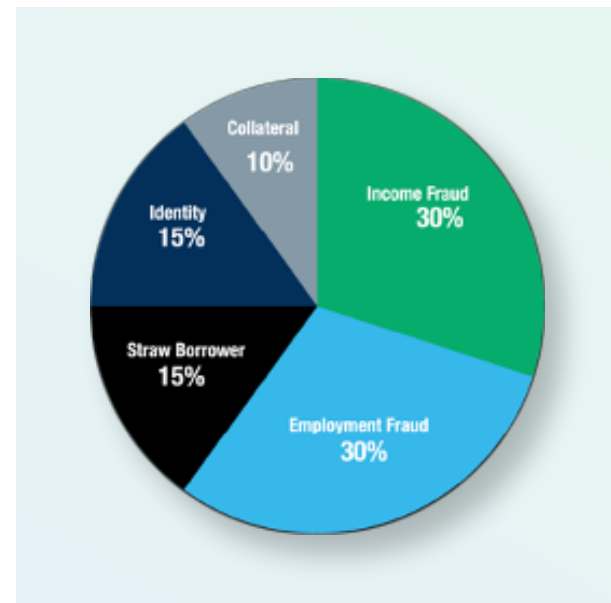
Automotive lending fraud is an industry-wide problem. Point Predictive estimates that auto lenders endured more than \$7.7 billion in exposure due to fraud and misrepresentation during 2021. In today's market, there are often stipulations set and additional documentation required from auto loan applicants that slows the underwriting process and adds to its cost. Often these stipulations are set without a complete understanding of the true risk of loan default.

In addition, most application fraud scores and alerting tools available target identity fraud alone. Identity fraud, however, is only a small part of the total fraud risk. Auto Fraud Manager identifies and predict all fraud types in a single, integrated solution, including employment fraud, income fraud, straw borrower fraud, identity fraud, and collateral fraud.

Effectively Protect Against Material Misrepresentation and Fraud Risk

Auto Fraud Manager enables lenders to accurately assess the early payment default (EPD), material misrepresentation, and fraud risk of each application up front in the underwriting process. This means that stipulations and additional review is only required for high-risk applicants, lowering underwriting costs while protecting against losses.

- Typically, 10% or less of auto loan applications contain risk for EPD, material misrepresentation, or fraud and only those require stipulations or added scrutiny.
- Adding stipulations or review to only the applications that need it keeps underwriting costs low, prevents backlogs, and helps the organization become more effective at identifying and mitigating these risks.
- Auto Fraud Manager also identifies those dealers originating high-risk applications.
- False positives are reduced by up to 65% when compared against existing alerting tools.
- The result: underwriting cost reduction, reduced losses, and more profitable loans.



The Auto Fraud Manager Report

Auto Fraud Manager is a predictive scoring solution built with artificial intelligence, specifically designed to identify those applications most likely to result in default. Auto Fraud Manager delivers clear recommendations on which loan applications require stipulations and/or fraud review.

Auto Fraud Manager leverages historical application and loan data in combination with the nation's largest data repositories, third-party online behavioral data, and Point Predictive Consortium data to accurately identify fraud risk with low false-positive rates.

The Auto Fraud Manager Report Includes:

- A score that identifies likelihood of early payment default risk, material misrepresentation, or fraud.
- A risk meter to visually represent the level of risk.
- A list of risk factors that contribute to the score and illustrate which alerts passed or failed.

All Auto Fraud Manager data is also returned to the lender digitally so it can be used to route cases based on risk level.

The 5 Benefits Of Auto Fraud Manager Report To Lenders

There are five specific areas where lenders benefit from the Auto Fraud Manager scores and reports the most:

- 1. COST REDUCTION.** Streamline low-risk applications and focus review resources only on the applications that warrant it.
- 2. TARGET HIGH RISK APPLICATIONS FOR STIPULATIONS AND REVIEW.** Increase fraud detection rates while lowering false positives.
- 3. ELIMINATE UNNECESSARY WORK.** Reduce the number of alerts worked by underwriters on low-risk applications.
- 4. FIND NEW RISK PATTERNS.** Discover macro-level portfolio trends and fraud patterns to respond faster to emerging trends in your data.
- 5. IDENTIFY MORE DEALER RISK, SOONER.** Identify dealers originating higher risk applications.

Learn more about the advantages of Auto Fraud Manager at pointpredictive.com.

