

June 6, 2012



New Equifax Portfolio Review Solution Helps Facilitate ALLL Regulatory Compliance and Junior Lien Reclassification Strategies for Financial Institutions

ATLANTA, June 6, 2012 /PRNewswire/ -- Challenging market conditions and recently updated federal regulatory guidelines are compelling financial institutions to enhance portfolio evaluation methodologies in order to accurately compute their Allowance for Loan and Lease Loss (ALLL). In order to help these organizations, Equifax has announced its new solutions for ALLL compliance that can deliver all of the data necessary to help drive a compliant portfolio review process — optimizing financial statements and mitigating risk.

(Logo: <https://photos.prnewswire.com/prnh/20060224/CLF037LOGO>)

On January 31, 2012, federal regulators issued updated guidance pertaining to the computation of an Allowance for Loan and Lease Loss for senior and junior liens secured by 1-4 family residential properties. ALLL is calculated as an estimate of the uncollectible amounts used to reduce the book value of loans and leases to the amount that a bank expects to collect. The new government regulations require an institution to have a clear understanding of the performance of senior liens tied to the same properties as an institution's junior liens in their portfolios. This guidance has resulted in the reclassification of billions of dollars of junior liens and many financial institutions are currently restructuring their portfolio management processes in an effort to ensure regulatory compliance.

Equifax's new ALLL solution streamlines the portfolio review process and reduces costs. The solution utilizes Equifax's comprehensive 360 degree view of the junior lien, property, and borrower --enabling lenders to obtain a complete view of the risk or opportunity associated with a given lien or consumer. Flexible data output and delivery options ensure a seamless and efficient portfolio segmentation and evaluation process.

"Financial institutions are being asked to reexamine their ALLL and junior lien portfolio management strategies," said Craig Crabtree, Senior Vice President of Equifax's Mortgage Services. "The updated guidance serves as a reminder to financial institutions that allowance and credit loss estimates should reflect consideration of all significant credit risk factors."

"In addition to the new regulations, the industry has seen a decline of approximately \$6.5 trillion in homeowner equity in the past five years, and over 25 percent of mortgage borrowers still have zero to negative equity — impacting how financial institutions must evaluate their existing portfolios and calculate ALLL." "Equifax is uniquely qualified to deliver the 360 degree view of risk that lenders need to facilitate a comprehensive compliance

portfolio review process," Crabtree added.

Financial institutions who wish to develop a customized portfolio review plan for ALLL compliance can visit www.equifax.com/mortgage/ALLL.

About Equifax, Inc.

Equifax is a global leader in consumer and commercial information solutions, providing businesses of all sizes and consumers with information they can trust. We organize and assimilate data on more than 500 million consumers and 81 million businesses worldwide, and use advanced analytics and proprietary technology to create and deliver customized insights that enrich both the performance of businesses and the lives of consumers.

Headquartered in Atlanta, Equifax operates or has investments in 18 countries and is a member of Standard & Poor's (S&P) 500® Index. Its common stock is traded on the New York Stock Exchange (NYSE) under the symbol [EFX](http://www.equifax.com). For more information, please visit www.equifax.com.

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