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Segmentation and Scoring service for Debt Collection Agencies

Euristix are continuing to broaden their hosted segmentation and scoring services for DCAs with the introduction of their latest suite of sector specific models.

Please contact [Paul Matthews](mailto:paul.matthews@euristix.com) for more details

Hello

Welcome the latest edition of Euristix Insight, providing unique commentary and information on the changing world of credit risk and portfolio management.

In this issue we deal with the role of **pre-delinquency management** in the customer lifecycle. While our latest white paper focuses on the implementation of pre-delinquency actions in mortgage portfolios, many of the ideas, concerns and considerations span the breadth of the consumer credit industry. Within this pre-delinquency framework we also deal with the topic of **identifying and managing interest rate susceptibility**, a key concern for many mortgage lenders at the moment.

As ever, please contact us with any questions regarding any aspect of risk management or with feedback regarding our articles and newsletter.

Kind regards,

Chris Kemp



Pre-Delinquency Activities - Bridging the Gap



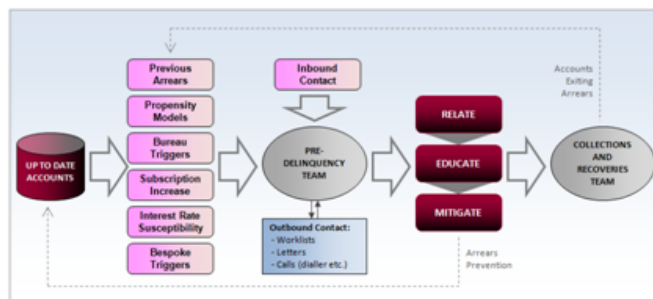
This month Euristix released their latest credit risk management white paper, entitled '**Bridging the Gap - Pre-Delinquency Actions and Interest Rate Susceptibility in Mortgage Portfolios**'.

Overview

The paper presents research and findings from work carried out by Euristix in the area of pre-arrears customer management in mortgage portfolios. The focus is on the identification of at-risk accounts and the implementation of pre-delinquency mechanisms to support customer service and mitigate arrears. Particular focus is given in an accompanying appendix to understanding those accounts with the highest level of susceptibility to payment shocks driven by interest rate rises.

Within the paper we outline an end-to-end pre-delinquency framework and provide an overview of the key stages and considerations required to implement such a process. From understanding and identifying the drivers of financial stress through to the creation of mitigating actions, we cover the thought processes, actions and components required to develop and benefit from pre-delinquency activities.

Figure 1 - A comprehensive, end-to-end pre-delinquency process



Specific consideration is given to one of the most likely sources of financial stress for mortgage customers; a rise in interest rates. With such changes seeming imminent, identifying and managing interest rate susceptible borrowers is a highly topical aspect of pre-delinquency activity, and this is covered in detail in the appendix to the white paper.

To read the full paper and get a detailed insight into this interesting area of risk-management, please click [here](#). If you have any questions or feedback, please contact paul.matthews@euristix.com

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