Moody's
ANALYTICS

News

FOR IMMEDIATE RELEASE

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Moody's Analytics introduces the RiskCalc™ Small Business solution
Our most predictive small business credit scoring solution helps lenders make quick and comprehensive decisions

SAN FRANCISCO, June 26, 2018 – Moody's Analytics today launched a new scoring solution for evaluating the creditworthiness of small businesses. The RiskCalc Small Business solution leverages the award-winning RiskCalc™ application, a comprehensive tool for determining the credit risk of private companies. The new solution quickly calculates a credit risk score and other related credit metrics for small businesses.

"The RiskCalc Small Business tool brings lenders and credit analysts a fast, easy, and very predictive way to score a small business, which translates into more profitable decisions and increased loan volume for lenders," said John Baer, Head of Small Business Lending at Moody's Analytics.

The RiskCalc Small Business solution analyzes different types of data including financial statements, trade lines, and loan payment information to create a complete and consistent picture of the credit risk of a small business. The results include an EDF™ (Expected Default Frequency) credit measure along with a Small Business score and insightful risk driver details. This improves the level of transparency for lenders and increases confidence in multiple aspects of the credit decision-making process.

"Our customers have varying amounts of information about the small businesses they work with," said Mr. Baer. "By using even limited financial information available on a firm, we are able to provide a standard set of credit risk metrics that can be applied across our customers' portfolios."

The RiskCalc Small Business solution was developed using extensive credit research data and has been tested against external credit bureaus and data vendors. It can be applied throughout the credit lifecycle for loan pre-qualification, credit origination, monitoring, and risk management. Its results can also be put directly into the highly rated Moody's Analytics ImpairmentStudio™ product for the calculation and reporting of expected credit loss under the Current Expected Credit Loss (CECL) standard.

Click here to learn more about our small business solutions.

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools supporting our clients' growth, efficiency, and risk management objectives. The combination of our unparalleled expertise in risk, expansive information resources and innovative application of technology, helps today's business leaders confidently navigate an evolving marketplace. We are recognized for our industry-leading solutions, comprising research, data, software and professional services, assembled to deliver a seamless customer experience. Thousands of organizations worldwide have made us their trusted partner because of our uncompromising commitment to quality, client service, and integrity.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). MCO reported revenue of $4.2 billion in 2017, employs approximately 11,900 people worldwide and maintains a presence in 41 countries. Further information about Moody's Analytics is available at www.moodysanalytics.com.

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