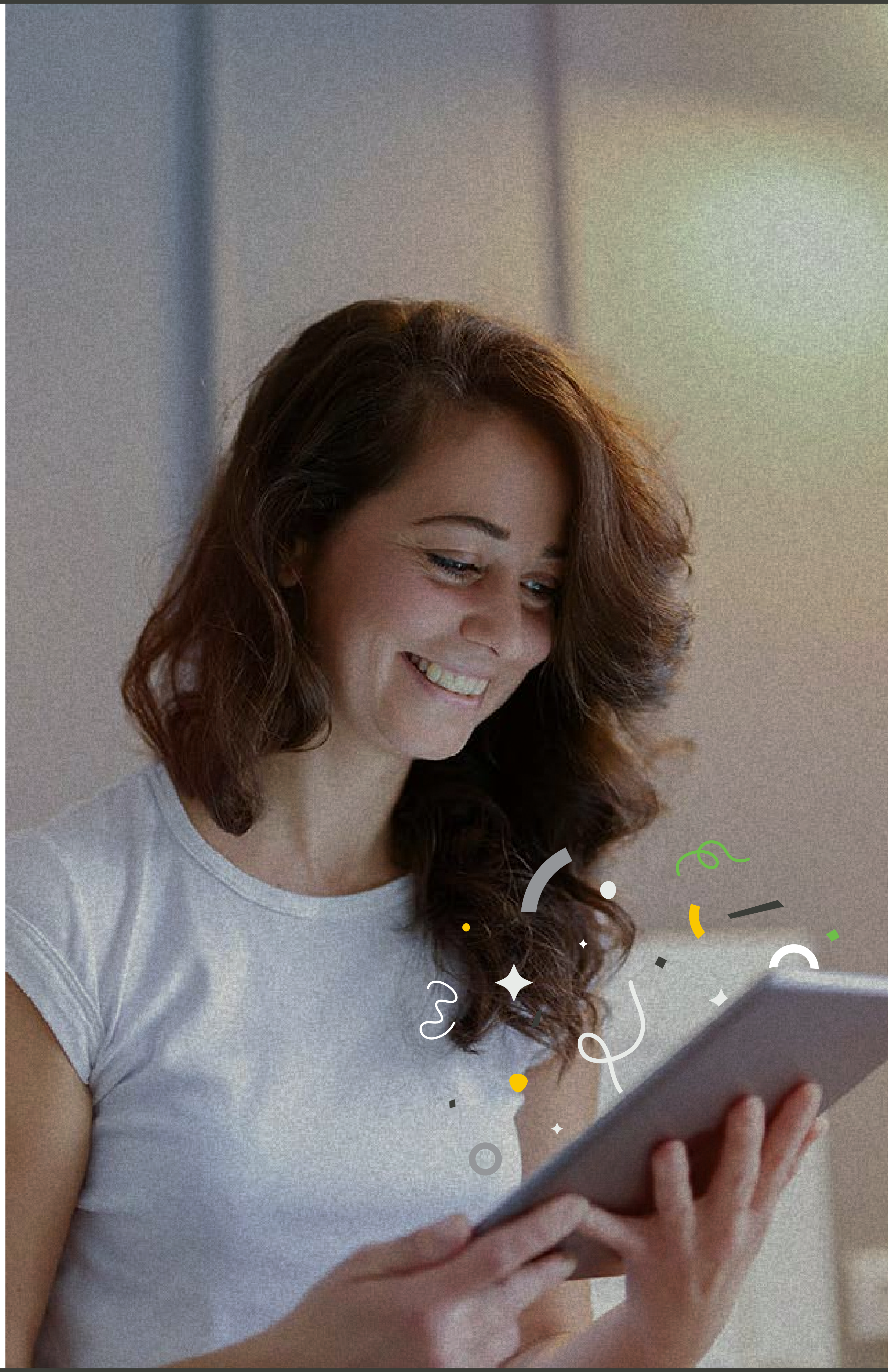
Prequalification

PUT THE POWER IN YOUR CUSTOMER'S HANDS.

How does prequalification put the power in your customer's hands?

Our prequalification solution gives interested consumers the ability to quickly and easily check if they prequalify for credit offers without impacting their credit bureau score. Adding prequalification to your acquisition strategy can ultimately lead to more credit applications, more accounts and higher sales for your company.



It's easy to see the benefits, firsthand.

YOUR BENEFITS

- Gain the ability to provide real-time, prequalified offers to interested consumers.
- Our seamless solution is easily integrated into our existing acquisitions platform.
- Prequalified credit applications can ultimately lead to more accounts and higher sales.
- Minimize negative customer experiences that may lead to cart abandonment.
- Limit number of applications that would ultimately be credit denials.

Consumers say they prefer to apply for credit when they are confident that they will be approved.

There are a handful of consumer benefits, too.

CONSUMER BENEFITS

- Consumers have access to a real-time prequalification check.
- Ability to check for prequalified offers without impacting credit bureau score.
- Credit is available same-day once a consumer accepts prequalified credit offer.
- When used with prefill capability, process is quicker and simpler (applies for Synchrony-hosted applications).

39%

of Synchrony Cardholders ended up spending more than they originally planned after they were approved for a good financing deal.*

*Synchrony's 2019 Major Purchase Consumer Study

A hands-off approach to acquisitions:

Note: Content and fields within the application journey are shown for illustrative purposes only and may not reflect the actual process at launch.

1. ATTRACT

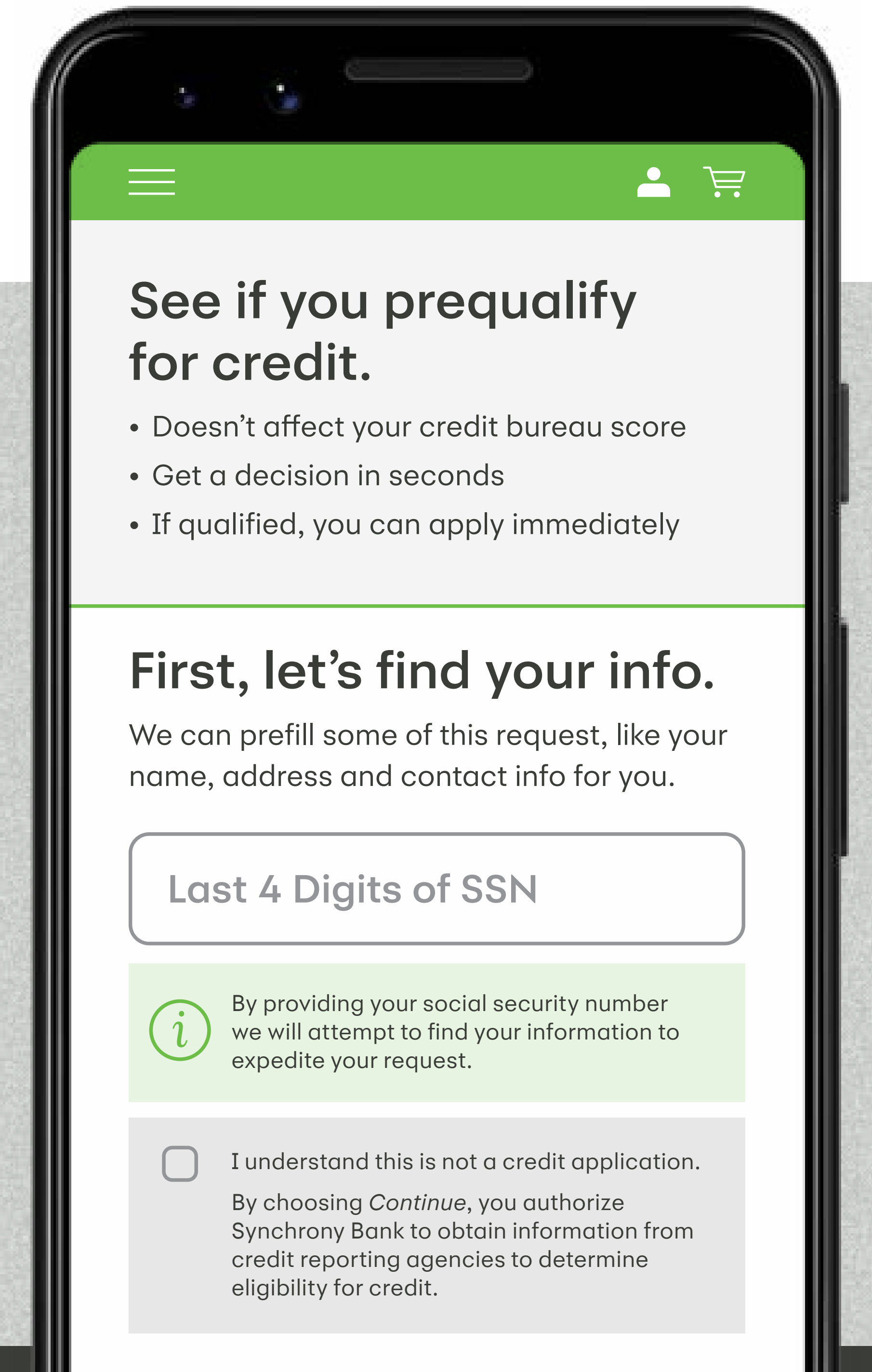
Consumer clicks a prequalification banner ad and is directed to the credit landing page to initiate the process.

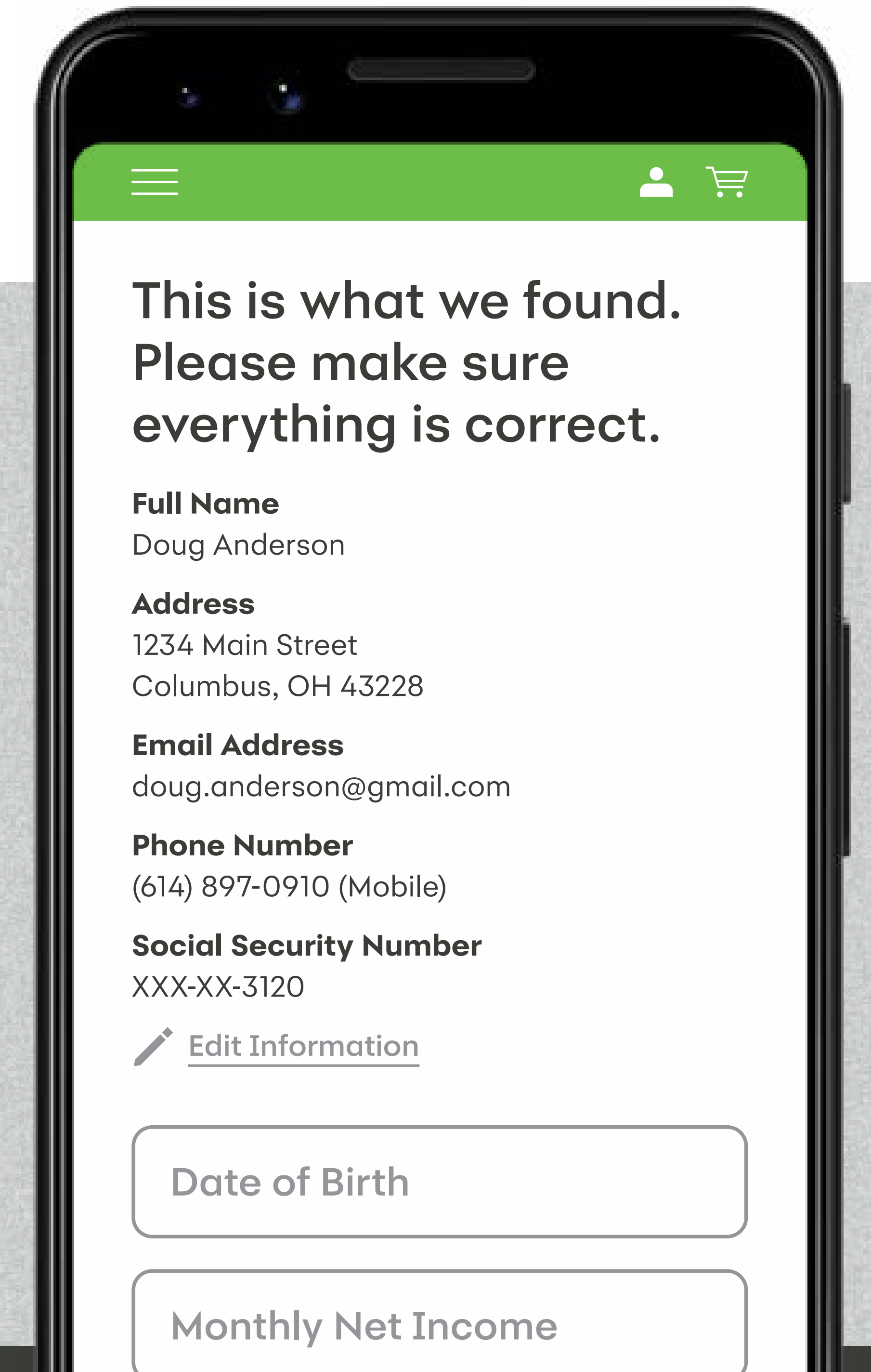
2. VERIFY

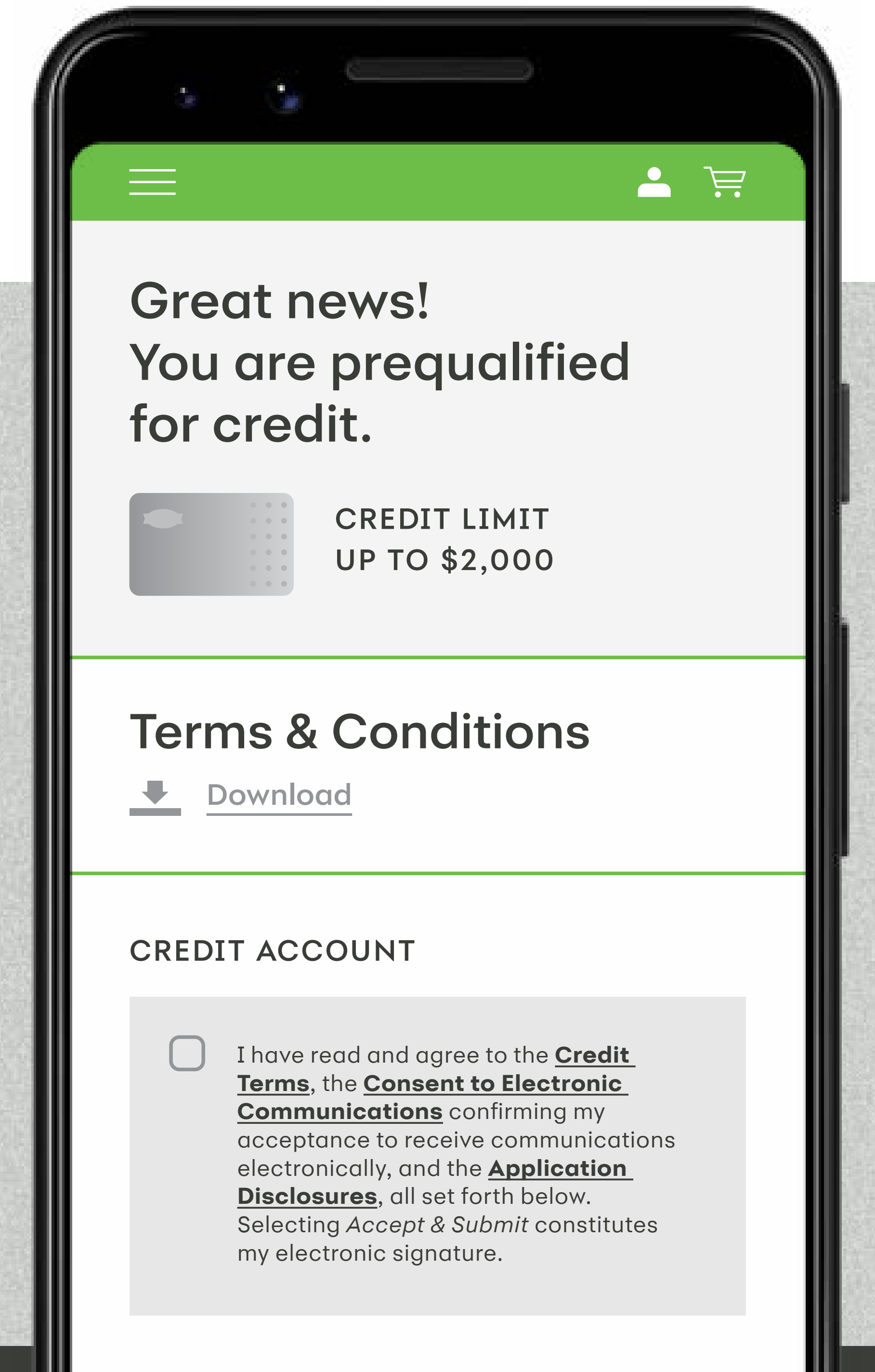
Consumer verifies prefilled data or inputs minimal data, including name, address and last 4 numbers of SSN, before the inquiry is passed to the credit bureau.

3. PREQUALIFY

With identity verified, bureau record is screened for prequalification (soft inquiry that does not impact consumer's credit bureau score).







A hands-off approach to acquisitions:

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4. OFFER

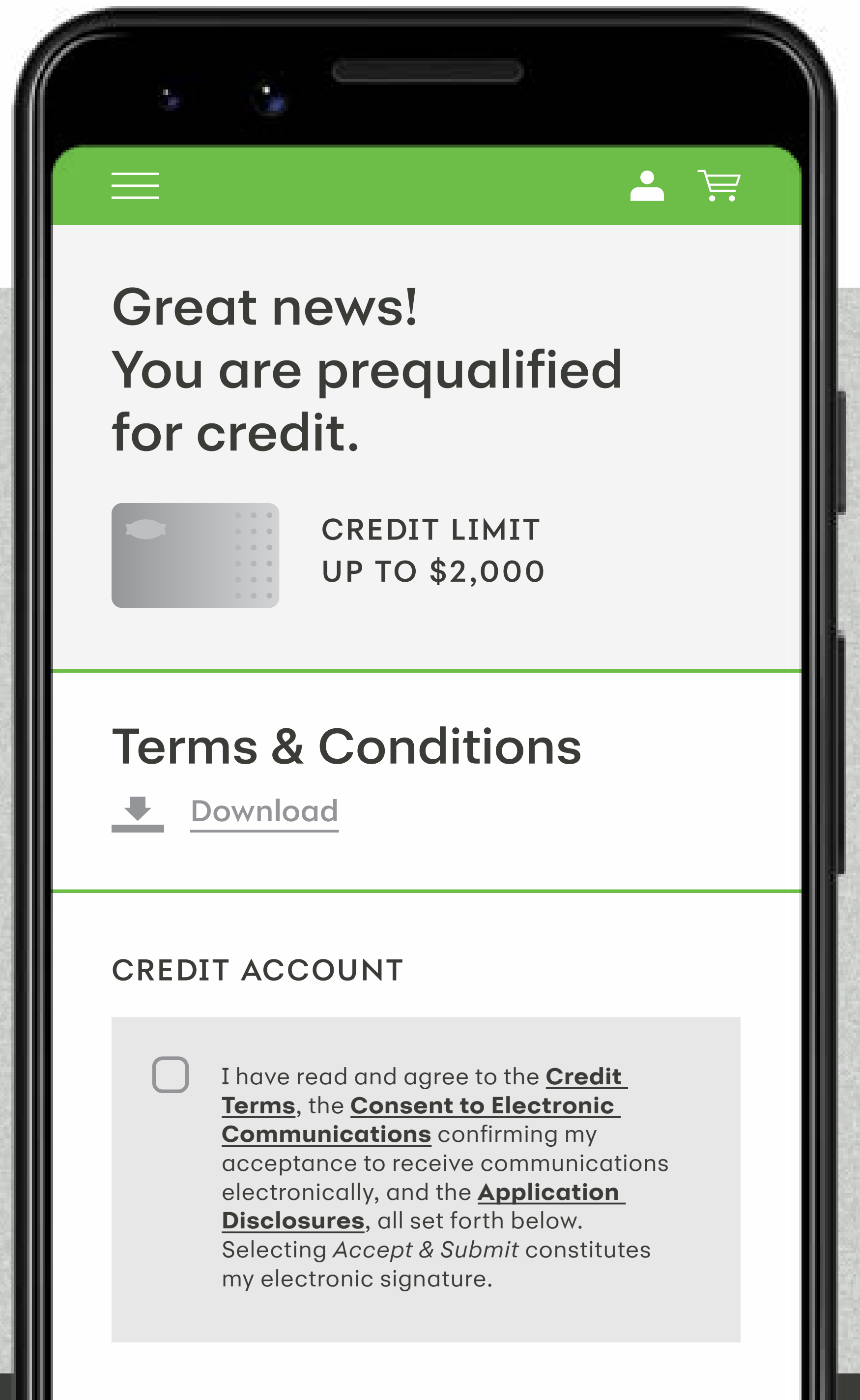
If criteria are met, a prequalified offer is presented to the consumer.

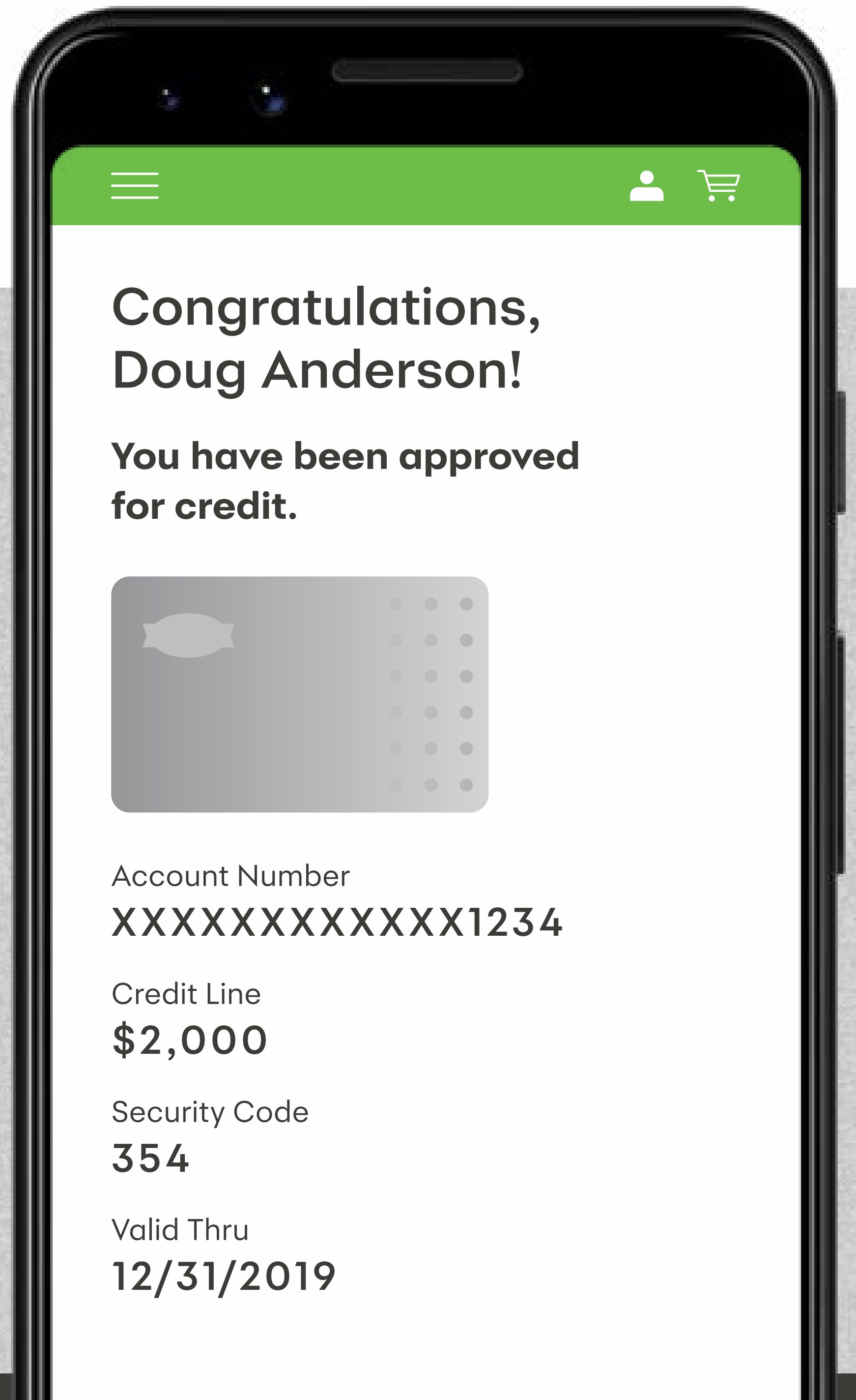
5. RESPONSE

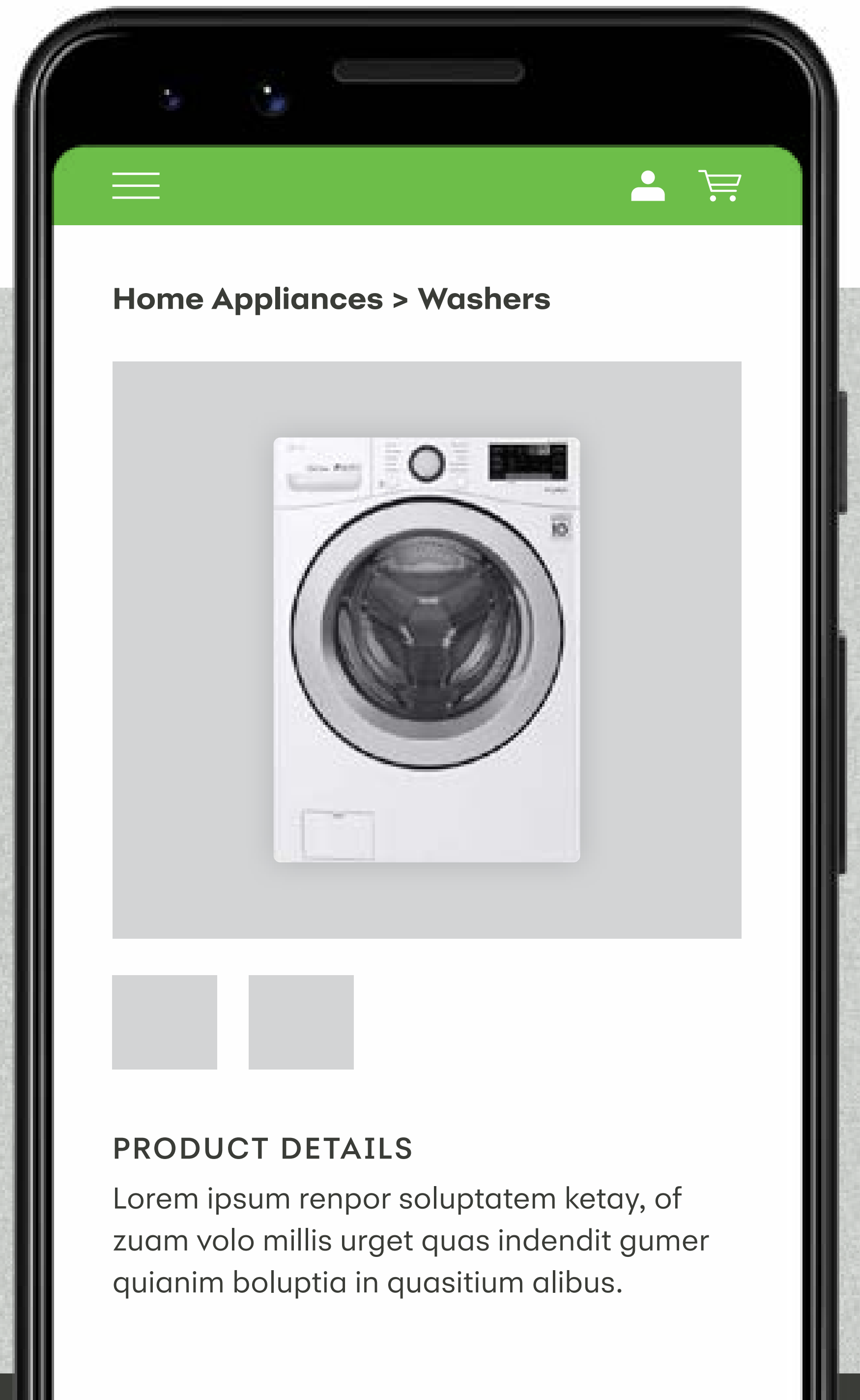
If consumer chooses to accept and apply for the credit offer, a hard inquiry is triggered at the credit bureau and a credit decision is made.

6. SHOP

Approved customers can use the new credit account to make an immediate purchase.







FAQs

What is the difference between prequalification and preapproval?

Prequalification is a consumer-initiated process where the consumer supplies you with a few pieces of personal information in order to see if they prequalify for credit offers.

Preapproval is when you independently determine that a consumer meets the requirements for credit, and you send them a credit offer. It is then up to the consumer to formally accept the offer or not.

What is the point of prequalifying for a loan or credit card? Why not just submit an application directly?

Every time a customer applies for credit, a hard inquiry at the bureau is performed. A hard credit inquiry will impact a customer's credit bureau score. For example, if a customer submits several credit card applications in a short period of time hoping to get approved for one of them, this could have a substantial, negative impact on their credit bureau score.

This is where prequalification can come in handy. The customer will submit a few basic pieces of personal and financial information and find out whether they're prequalified for a credit card or loan based on that information. Since no hard credit check is performed in the process, the customer can get a sense of whether they'll be approved for a product without losing any points on their credit bureau score. This will help customers make informed choices about which loans or credit cards they should submit formal applications for.

The customer is prequalified for a loan or a credit card. Now what?

After a customer has been prequalified, the next step is for them to complete and submit the full application for the credit product they're interested in. The steps for doing this will be explained in the prequalified approval.

What happens if the customer doesn't prequalify for a loan or credit card?

If a customer is not prequalified for a loan or credit card, there's nothing else they need to do for the moment. They may receive what's known as an "adverse action" notice, formally notifying them that their application was not approved. The customer should not be alarmed if they receive an adverse action notice—it's just a formality, and does not mean that a hard review of their credit was performed. The customer can try again in 30 days to prequalify for a credit card or loan.