

Enhancing Originations and Improving Credit Quality

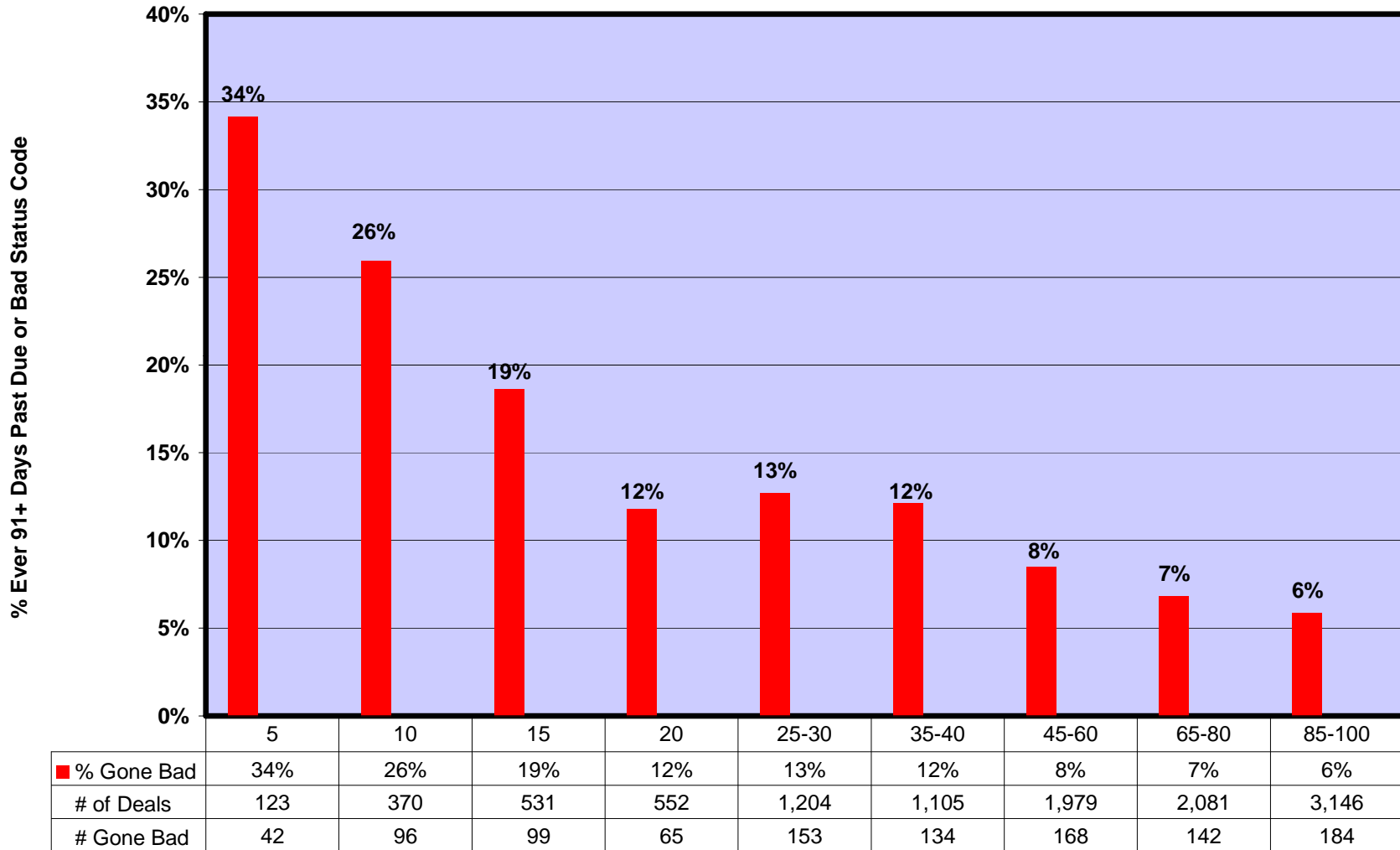
PAYNET[™]

PREDICTIVE CREDIT &
RISK MANAGEMENT TOOLS

5750 Old Orchard Rd.
Skokie, IL 60077

Lender "Bad" Rate by PayNet Rating at Origination

("Bad" = Ever 91+ DPD or status of Bankrupt, Legal, Repo, Extension, Collection)

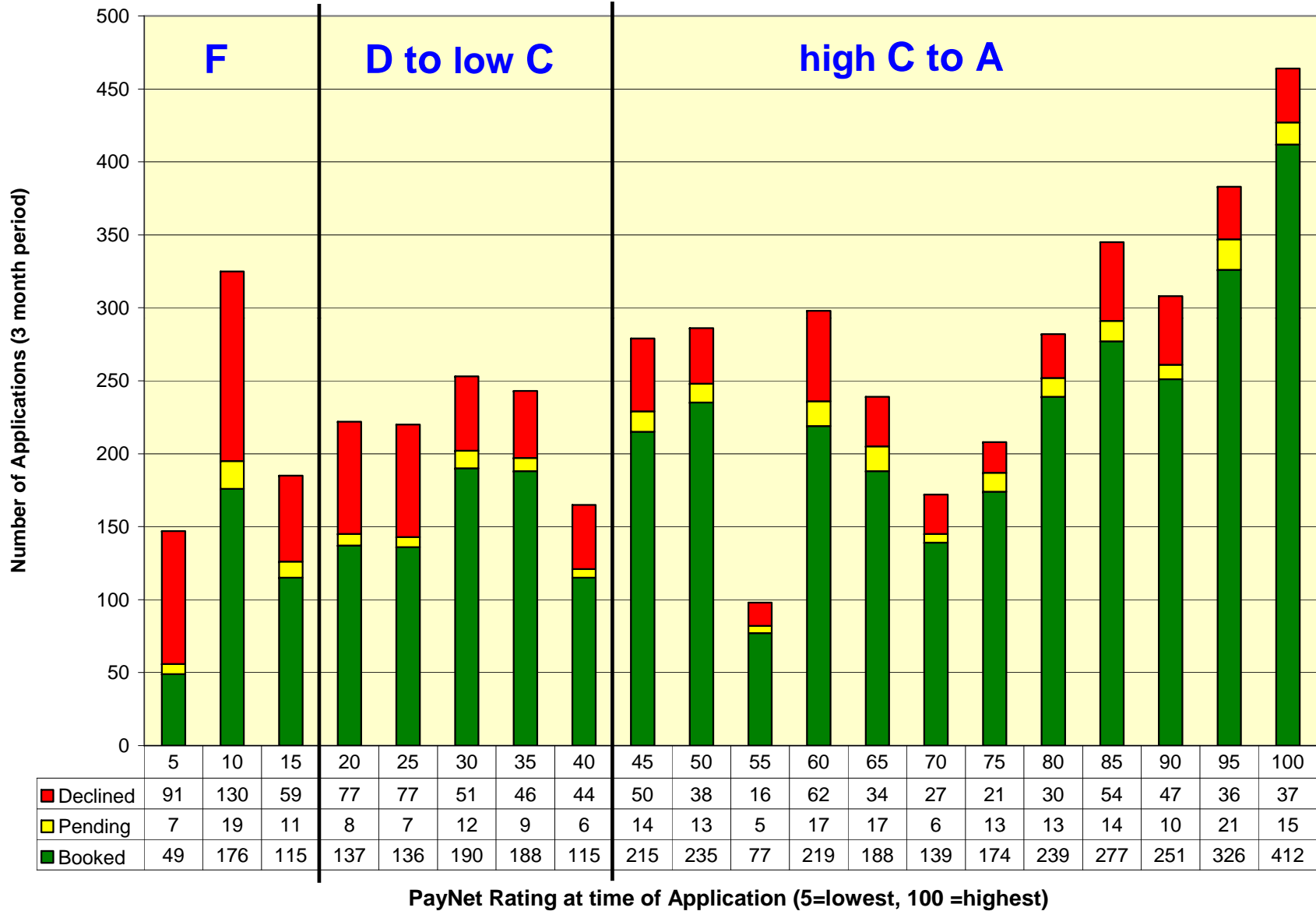


For transactions originated in 2002, counting only the borrower's largest contract of the month

PayNet Rating at Transaction Origination

(PayNet Rating calculated at beginning of calendar quarter or origination)

Lender Bookings, Pendings & Declines by PayNet Rating



Current Credit Process results in significant credit loss combined with high data cost

<u>Applications: Declined/Pended vs. Booked</u>					<u>Retro Analysis</u>	<u>Projected Losses</u>
<u>Annualized (based on recent 3 months period)</u>					<u>2002 Deals 91+/Bad</u>	<u>Assuming 50%</u>
<u>PayNet Rating</u>	<u>Quality Grade</u>	<u>Applications</u>	<u>Declined/Pending</u>	<u>Booked</u>	<u>By 1/1/04</u>	<u>Loss on 91+/Bad Transactions</u>
					<u>Ever91+ or "Bad"</u>	
5	F	588	392	196	34%	\$669,268
10	F	1,300	596	704	26%	\$1,826,595
15	F	740	280	460	19%	\$857,627
20	D	888	340	548	12%	\$645,290
25	D	880	336	544	12%	\$673,355
30	D	1,012	252	760	13%	\$991,864
35	C	972	220	752	13%	\$947,794
40	C	660	200	460	12%	\$531,474
45	C	1,116	256	860	9%	\$771,235
50	C	1,144	204	940	9%	\$847,541
55	B	392	84	308	8%	\$237,626
60	B	1,192	316	876	8%	\$675,374
65	B	956	204	752	8%	\$588,299
70	B	688	132	556	6%	\$357,173
75	B	832	136	696	6%	\$451,111
80	A	1,128	172	956	6%	\$611,582
85	A	1,380	272	1,108	6%	\$621,308
90	A	1,232	228	1,004	7%	\$677,989
95	A	1,532	228	1,304	7%	\$874,835
100	A	1,856	208	1,648	5%	\$777,053
No-Hits	C	23,924	11,472	12,452	10% (=group avg)	\$12,158,972
Grand Total		44,412	16,528	27,884		
Est. Avg. Transaction Amount:				\$20,000		
Est. Annual Originations:				\$557,680,000	Total	\$26,793,368

Adding PayNet Data increases Originations and lowers Losses at a small incremental cost

PayNet Rating	Quality Grade	Applications	Improved Decisioning Strategy:		Projected Losses
			Declined/ Pending	Booked	
5	F	588	588		\$0
10	F	1,300	1,300		\$0
15	F	740	740		\$0
20	D	888	340	548	\$645,290
25	D	880	336	544	\$673,355
30	D	1,012	252	760	\$991,864
35	C	972	220	752	\$947,794
40	C	660	200	460	\$531,474
45	C	1,116		1,116	\$1,000,812
50	C	1,144		1,144	\$1,031,475
55	B	392		392	\$302,433
60	B	1,192		1,192	\$919,002
65	B	956		956	\$747,891
70	B	688		688	\$441,970
75	B	832		832	\$539,259
80	A	1,128		1,128	\$721,616
85	A	1,380		1,380	\$773,832
90	A	1,232		1,232	\$831,954
95	A	1,532		1,532	\$1,027,797
100	A	1,856		1,856	\$875,128
No-Hits	C	23,924	11,472	12,452	\$12,158,972
Grand Total		44,412	15,448	28,964	
		Est. Annual Originations		\$579,280,000 Total	\$25,161,921

Improved Strategy's
 Projected Losses
 Assuming 50%
 Loss on 91+/Bad
 Transactions

Adding PayNet to your credit process increases Originations and lowers Losses resulting in a high ROI

SUMMARY		
Current Credit Cost	(\$27,508,960)	(Current Losses + Current Data Cost)
Originations \$ Profit	\$648,000	Origs. \$ Increase x 3% profit margin
\$ Loss Decrease	\$1,631,447	Current Loss - \$ Decrease in Loss
Incremental Data Cost	(\$163,904)	Estimated
Final Credit Cost	(\$25,393,417)	Current Credit Cost + Origs. \$ Profit + \$ Loss Decrease – Incremental Data Cost
<i>\$ Improvement</i>	\$2,115,543	Final Credit Cost – Current Credit Cost