

**From:** FACENN  
**Sent:** Monday, July 05, 2004 2:01 PM  
**To:** FACTAscoringstudy  
**Subject:** Credit Scoring

To even raise this issue seems unbelievable! Of course lousy credit is a reason to charge more to make the risk worth while taking. The alternative would be either to not extend/offer the service at all or making everyone who has a good score pay much more to cover the irresponsible. That choice is far worse than making those that have earned a poor rating pay accordingly for their actions. Would you want your charge card interest to be at 20% rather than say 10% because others do not pay their bills and the card company isn't allowed to charge the slow pay-dead beats more?

If you start with the proper assumption that the business/bank wants to lend/make available the service offered then you would realize the only obstacles placed by them in doing so are when the risk greatly out weighs the potential profit reward and even then they don't refuse the service but merely ask for a greater profit opportunity to off set the greater risk they are taking. This a money thing and not a race issue other than some races as a whole tend to be greater risks. Yet even then, it's still an individual score and not a group score so even a race bias in general does not affect a good credit individual of that race. A further example might be a location bias such as parking your car nightly at your home that happens to be in a ghetto. Any one would know and expect more claims against that car to occur than one parked in a garage in the suburbs. So, is it a bias against the poor? Yes, as a group but not against any one poor person. You can be poor and still pay your bills as long as you don't accumulate too many bills by over buying. If you're too poor to live in a decent neighborhood then don't spend the money on a nice car that keeps getting stolen or damaged and instead move out!