

Abstract Submission
CRC Conference, University of Edinburgh Management School
Credit Scoring and Credit Control X

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Abstract (270 words)

**Manufacturing scorecards, manufacturing scores:
A History of Fair, Isaac & Company Incorporated**

In honour of the tenth anniversary of the CRC conferences, this paper proposes to give a brief history of Fair, Isaac & Company Incorporated (historical name), the first commercial developer of credit scoring systems. The work is based on dissertation research that seeks to trace the history of the FICO® scores, the current commercial standard for U.S. consumer credit evaluation. The paper will present an overview of the development of Fair, Isaac's cardboard-based 'custom application scorecard' starting from their work in 1958 with a small finance company in Louisiana, to the implementation of complex 'generic' multi-scorecard Fair, Isaac algorithms at the three major U.S. credit bureaus in the 1980's. How did credit scoring grow into an industry and how have the dynamics of this industry changed risk management practices? Following the work of historians of probability and statistics, the research seeks to demonstrate through the story of Fair, Isaac, that risk calculation does have a history whose details matter. Beyond understanding sound scientific practice, however, the paper argues that to understand the emergence of consumer risk management means exploring how particular tools have been packaged into analytic products. In other words, the research takes seriously the shift in the history of science away from a purified history of ideas and towards a history of material systems. Circulating commercial credit scores made available to consumers, regulators, investors and lenders alike – the architecture of scoring in U.S. consumer finance and the peculiar calculative capacities that this architecture allows within consumer credit markets are not only the result of scientific innovation. They are also the result of business positioning and of product invention.

References

Poon, Martha. "Scorecards as Market Devices for Consumer Credit: The case of Fair, Isaac & Company Incorporated". In *Market Devices*. Eds. Michel Callon, Fabian Muniesa and Yuval Millo, Blackwell Publishing, 2007 (forthcoming)