**Reassessment of LexisNexis Instant ID: Model vs. Non-Model**

**Introduction**

This document provides a reassessment of the LexisNexis Instant ID solution, determining whether it should be classified as a model or a non-model. Based on the evaluation criteria, Instant ID is categorized as a **non-model**, with supporting rationale outlined below.

**Definition of a Model vs. Non-Model**

A **model** typically refers to a system that uses statistical, machine learning, or AI-based algorithms to generate predictive or probabilistic outcomes based on input data. Models generally involve data transformations, probability scoring, statistical weighting, or complex feature engineering to arrive at a decision.

A **non-model** system, in contrast, operates based on predefined rules, deterministic logic, or simple matching processes without employing statistical learning, data-driven optimization, or predictive analytics.

**Rationale for Classifying LexisNexis Instant ID as a Non-Model**

1. **Rule-Based System Without Predictive Analytics**
   * Instant ID operates using **predefined rules** rather than statistical modeling or machine learning.
   * The system validates identity information by comparing it against **public records, government databases, and proprietary sources**.
   * It **does not generate probabilistic risk scores** based on historical data patterns.
2. **Deterministic Logic Instead of Machine Learning**
   * The process follows **explicit matching rules** to verify identity elements (e.g., Name, Address, SSN).
   * The **Comprehensive Verification Index (CVI)** is calculated based on **fixed rule-based logic** rather than predictive modeling.
   * The output of Instant ID is a **categorical risk classification (pass, fail, or manual review)** rather than a **continuous risk score**.
3. **Lack of Model Components Defined in SR 11-7**
   * Per **SR 11-7**, a model consists of:
     1. **Information input component** (assumptions, data inputs)
     2. **Processing component** (statistical/economic/mathematical theories)
     3. **Reporting component** (quantitative estimates for decision-making)
   * Instant ID does not **apply statistical, financial, or mathematical techniques** to transform inputs into quantitative estimates.
   * It lacks the **processing component** typically found in models.
4. **No Model Training or Optimization**
   * Predictive models require **training, calibration, and ongoing performance monitoring**.
   * Instant ID uses **fixed decision rules that are periodically updated**, but it **does not "learn" from past data**.
   * No **machine learning algorithms** are used to refine or improve predictions over time.
5. **Absence of Back-Testing and Forecasting**
   * Model-based systems require **back-testing** to assess predictive accuracy.
   * Instant ID does not produce **forward-looking fraud forecasts**; instead, it **categorizes identity verification outcomes based on rules**.
   * Since there are **no statistical estimations or probability distributions**, back-testing is not applicable.
6. **Final Classification Decision**
   * The **MRM (Model Risk Management) team did not explicitly classify LexisNexis Instant ID as a model**, which implies that it was assessed as a **non-model** based on the provided criteria.
   * The output (CVI, NAS, NAP indices) is a **verification summary**, not a predictive estimate.
   * The decisioning process does not involve a statistical model but follows **preset logic thresholds**.

**Conclusion**

LexisNexis Instant ID has been reassessed and **classified as a non-model** because it functions as a **rule-based identity verification tool** rather than a statistical or machine learning model. It **does not involve predictive analytics, does not generate risk probabilities, and does not learn from historical data**. The system **determines verification outcomes using fixed logic** rather than adaptive modeling, confirming its non-model classification.