ENTERPRISE: CREDIT SCORE TOUCHPOINTS

Loan Application

Lender obtains scores via credit report for eligibility and underwriting

Underwriting

Lender provides scores to AUS, which uses them for eligibility and other underwriting policies

Pricing and Delivery

Scores are used for LLPA/Delivery Fees and in pre-delivery loan quality assessments tools

Lenders provide scores to delivery systems, which checks them for eligibility

Servicing

Servicer obtains scores to assess eligibility for Imminent Default program, Short Sales, etc.

Credit Risk Transfer

Origination and updated scores disclosed to investors & reinsurers

Scores used in certain deals and as criteria for reference pools

Scores used to calculate credit enhancement, capital benefit

Securitization

Origination scores disclosed to investors for all MBS; updated scores disclosed for certain MBS

Scores used in investor reporting, prepayment models to evaluate MBS (UMBS rule) and spec pool execution

Risk Management

Scores are used in a variety of forecasting, performance, risk management, and financial models and analytical tools (industry-wide)

Disclosures

Enterprises disclose a variety of aggregate information about FICO scores in SEC reporting, including Form 10-K, 10-Q, and the Credit Supplement.

Capital

Enterprise regulatory capital requirements (both new acquisitions and existing book) are driven by scores.

Enterprises require MIs to hold capital based on PMIERs requirements, which consider scores.

