



# Mortgage Credit Potential Index™

May 2022

# What is the Mortgage Credit Potential Index?

The Mortgage Credit Potential Index™ (MCPI) is a monthly reporting of mid-score mortgage credit inquiries analyzed by CreditXpert's predictive analytics platform. The MCPI highlights the volume of mid-score mortgage credit inquiries by 20-point credit bands between 360 and 850. When compared to prior months and years, the MCPI serves as an indicator of changes in query volume.

The MCPI also leverages CreditXpert's proprietary predictive analytics engine to highlight the potential increase each applicant could achieve within 30 days if they complete a custom action plan<sup>1</sup>. Highlighting the increase potential will help mortgage lenders better understand how they may be able to help their broader applicant pool qualify for a mortgage program, or a lower interest rate based upon the applicant's mid-score.

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<sup>1</sup> CreditXpert action plans are tools meant to educate mortgage professionals and prospective consumer loan applicants and are not furnished for the purpose of improving an applicant's credit record, credit history or credit rating, or removing or modifying adverse, inaccurate, fraudulent, or other information in an applicant's credit record. CreditXpert is not a credit counseling, credit repair, or credit reporting agency. Credit scores and score changes from CreditXpert are estimates and will likely differ from credit score information used by mortgage professionals to assess loan eligibility. CreditXpert does not guarantee that scores from any other company will change by the same amount, in the same way, or at all.



# 12 Month Inquiry Volume

**21.2M**

In the 12 months ending May 31, 2022, CreditXpert analyzed 21.2M mid-score credit inquiries. This represents a decrease of 14.96% over the 12 months ending May 31, 2021.

**73%**

Of all mid-score inquiries below 760 during this period may be able to better their score by at least one 20-point band within 30 days if they complete a custom action plan.



# Expanding Access to Homeownership

## FHA / RHA Mortgage<sup>2</sup>

**738K / 53%**

of total initial inquiries below 579 that may be able to achieve 580 or higher within 30 days if they complete a custom action plan

CreditXpert was founded to help make homeownership more accessible and affordable to all. Our ability to help those who may not initially qualify for a mortgage achieve a credit score that puts them in a position to qualify for an FHA / RHS mortgage is at the heart of what we are here to do. In the 12 months ending May 2022, CreditXpert analyzed **1,383,291** mid-score credit inquiries below 579. Of these inquiries, **737,758** could better their score to 580 or higher within 30 days if they complete a custom action plan.

## Conventional Mortgage<sup>3</sup>

**1.21M / 38%**

of total initial inquiries below 619 that may be able to get to 620 or higher within 30 days if they complete a custom action plan

In the 12 months ending May 31, 2022, CreditXpert analyzed **3,196,911** mid-score credit inquiries below 619. Of these inquiries, **1,207,438** may be able to better their score to 620 or higher within 30-days if they follow a custom action plan. There is some double counting in this category as some that could reach the score generally required for an FHA / RHS mortgage and may also better their score enough to qualify for a Conventional mortgage.

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<sup>2</sup> A **Federal Housing Administration (FHA) Mortgage** is a home mortgage that is insured by the government and issued by a bank or other lender that is approved by the agency. FHA loans require a lower minimum down payment than many conventional loans, and applicants may have lower credit scores, typically 580, than is usually required. The FHA loan is designed to help low- to moderate-income families attain homeownership. They are particularly popular with first-time homebuyers. **The Rural Housing Service (RHS)** provides loans directly to low-income borrowers in rural areas and guarantees loans provided by approved lenders. An RHS loan can help a borrower who otherwise might not qualify for a traditional mortgage because of low income or bad credit to buy a home in an approved rural area.

<sup>3</sup> A **Conventional Mortgage** is any type of home buyer's loan that is not offered or secured by a government entity. Instead, conventional mortgages are available through private lenders, such as banks, credit unions, and mortgage companies. However, some conventional mortgages can be guaranteed by two government-sponsored enterprises; the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Conventional loans typically require a minimum credit score of 620. Loan size must be equal to or less than \$647,200 or \$970,800 in high-cost areas for a single-family home.



# Increased Purchasing Power

## JUMBO Mortgage<sup>4</sup>

**1.84M / 40%** of total initial inquiries below 679 that may be able to achieve 680 or higher within 30 days if they complete a custom action plan

With home prices continuing to rise, mortgage lenders know the importance of securing higher levels of funding for their applicants. In the 12 months ending May 31, 2022, CreditXpert analyzed **4,547,878** mid-score credit inquiries below the 680-qualification threshold for a Jumbo mortgage. Of these inquiries, **1,839,103** may be able to increase their score to 680 or higher within 30 days if they complete a custom action plan.

## Better Rates<sup>5</sup>

**5.64M / 69%** of total initial inquiries between 640 and 759 that may be able to increase their score by at least one 20-point band within 30 days if they complete a custom action plan.

As interest rate is one of the top criteria that applicants use to select a lender, it will be important for lenders to deliver the most competitive offer. In the 12 months ending May 31, 2022, CreditXpert analyzed **8,179,818** mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, **5,639,247** may be able to increase their score by at least one 20-point band within 30-days if they complete a custom action plan.

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<sup>4</sup> A **Jumbo Mortgage** is a non-conforming mortgage loan that exceeds the limits set by the Federal Housing Finance Agency (FHFA). Jumbo loans are non-conforming loans as they cannot be purchased, guaranteed, or securitized by Fannie Mae or Freddie Mac. The main advantage of a jumbo loan is that it lets you borrow more than the limits imposed by Fannie and Freddie. Jumbo loans typically require a minimum credit score of between 680 and 700 depending on individual lender guidelines.

<sup>5</sup> According to the Loan Level Price Adjustment tables published by Fannie Mae and Freddie Mac, those with credit scores between 640 and 759 could potentially qualify for a better rate if they increase their score by at least one 20-point band. The Loan Level Price Adjustments are guidelines that are subject to individual lender pricing policies. CreditXpert has no involvement with any lender pricing policies and does not generate loan underwriting recommendations or decisions through its platform or otherwise.





# Credit Inquiries (Mid-Score)

The Credit Inquiries view shows the number of mortgage credit inquiries by each 20-point band analyzed by CreditXpert in the months of May 2021, April 2022 and May 2022. As most mortgage credit inquiries are three bureau pulls, the score band represents the mid-score<sup>6</sup>.

## Monthly Comparison

Score Band	May 2021	May 2021 % of Total Inquiries	April 2022	April 2022 % of Total Inquiries	May 2022	May 2022 % of Total Inquiries	MoM* Change	YoY^ Change
340-359	-	0.00%	-	0.00%	-	0.00%		
360-379	1	0.00%	-	0.00%	3	0.00%		200.00%
380-399	7	0.00%	14	0.00%	16	0.00%	14.29%	128.57%
400-419	74	0.00%	147	0.01%	136	0.01%	-7.48%	83.78%
420-439	383	0.02%	678	0.04%	702	0.05%	3.54%	83.29%
440-459	1,232	0.06%	2,050	0.13%	2,081	0.15%	1.51%	68.91%
460-479	3,195	0.16%	4,788	0.30%	4,699	0.33%	-1.86%	47.07%
480-499	6,483	0.32%	8,824	0.56%	8,720	0.61%	-1.18%	34.51%
500-519	11,315	0.56%	13,755	0.87%	13,712	0.97%	-0.31%	21.18%
520-539	18,576	0.92%	20,363	1.29%	20,219	1.42%	-0.71%	8.84%
540-559	28,252	1.40%	29,272	1.86%	28,736	2.02%	-1.83%	1.71%
560-579	41,940	2.08%	42,625	2.71%	41,415	2.92%	-2.84%	-1.25%
580-599	64,295	3.18%	64,291	4.09%	61,118	4.31%	-4.94%	-4.94%
600-619	94,088	4.66%	88,209	5.61%	83,665	5.89%	-5.15%	-11.08%
620-639	130,611	6.47%	107,849	6.86%	99,173	6.99%	-8.04%	-24.07%
640-659	150,564	7.46%	120,476	7.66%	110,834	7.81%	-8.00%	-26.39%
660-679	154,547	7.65%	124,830	7.94%	113,867	8.02%	-8.78%	-26.32%
680-699	158,423	7.85%	124,942	7.94%	113,311	7.98%	-9.31%	-28.48%
700-719	157,010	7.78%	120,839	7.68%	108,926	7.67%	-9.86%	-30.62%
720-739	158,632	7.86%	122,863	7.81%	109,781	7.73%	-10.65%	-30.80%
740-759	174,221	8.63%	132,310	8.41%	117,039	8.24%	-11.54%	-32.82%
760-779	207,795	10.29%	149,943	9.53%	131,529	9.26%	-12.28%	-36.70%
780-799	255,260	12.64%	172,055	10.94%	148,279	10.44%	-13.82%	-41.91%
800-819	192,320	9.53%	116,784	7.43%	97,763	6.89%	-16.29%	-49.17%
820-839	9,546	0.47%	4,597	0.29%	3,832	0.27%	-16.64%	-59.86%
840-850	133	0.01%	83	0.01%	86	0.01%	3.61%	-35.34%
<b>2,018,903</b>			<b>1,572,587</b>		<b>1,419,642</b>		<b>-9.73%</b>	<b>-29.68%</b>

\* MoM Change compares April 2022 to May 2022 volume.

^ YoY Change compares May 2021 to May 2022 volume.

<sup>6</sup> The mid-scores analyzed are the FICO® scores requested by a lender and reported by one of the credit bureaus or credit reporting agencies. FICO® is a registered trademark of Fair Isaac Corporation (FICO). CreditXpert is not affiliated with or endorsed by FICO or any of the credit bureaus or credit reporting agencies. CreditXpert trademarks used herein are trademarks or registered trademarks of CreditXpert, Inc. The use of any other trade name, copyright, or trademark is for identification and reference purposes only and does not imply any association with the copyright or trademark holder or their product or brand. Other product and company names mentioned herein are the property of their respective owners.



# Credit Inquiries (Mid-Score)

The Credit Inquiries rolling 12-month view shows the number of mortgage credit inquiries by each 20-point band analyzed by CreditXpert in the 12 months ending May 2021 and May 2022. As most mortgage credit inquiries are three bureau pulls, the score band represents the mid-score.

## Rolling 12 Month Comparison

Score Band	12 Months Ending May 2021	12 Months Ending May 2021 % of Total Inquiries	12 Months Ending May 2022	12 Months Ending May 2022 % of Total Inquiries	May 2021 - 2022 YoY Change
340-359	2	0.00%	-	0.00%	-100.00%
360-379	21	0.00%	15	0.00%	-28.57%
380-399	144	0.00%	189	0.00%	31.25%
400-419	1,065	0.00%	1,477	0.01%	38.69%
420-439	5,215	0.02%	6,823	0.03%	30.83%
440-459	16,694	0.06%	20,836	0.10%	24.81%
460-479	42,703	0.16%	49,154	0.23%	15.11%
480-499	89,333	0.34%	93,937	0.44%	5.15%
500-519	152,453	0.58%	150,407	0.71%	-1.34%
520-539	242,689	0.93%	229,434	1.08%	-5.46%
540-559	353,096	1.35%	335,396	1.58%	-5.01%
560-579	505,215	1.93%	495,623	2.34%	-1.90%
580-599	739,349	2.82%	752,005	3.55%	1.71%
600-619	1,042,315	3.97%	1,061,615	5.01%	1.85%
620-639	1,448,418	5.52%	1,368,903	6.47%	-5.49%
640-659	1,758,505	6.71%	1,552,543	7.33%	-11.71%
660-679	1,832,498	6.99%	1,626,432	7.68%	-11.25%
680-699	1,927,698	7.35%	1,671,143	7.89%	-13.31%
700-719	1,982,727	7.56%	1,652,664	7.81%	-16.65%
720-739	2,047,592	7.81%	1,677,036	7.92%	-18.10%
740-759	2,309,151	8.81%	1,842,770	8.70%	-20.20%
760-779	2,861,563	10.91%	2,168,956	10.24%	-24.20%
780-799	3,653,752	13.93%	2,537,983	11.99%	-30.54%
800-819	3,043,568	11.61%	1,791,755	8.46%	-41.13%
820-839	165,370	0.63%	83,610	0.39%	-49.44%
840-850	2,087	0.01%	1,295	0.01%	-37.95%
	<b>26,223,223</b>		<b>21,172,001</b>		<b>-19.26%</b>



# Credit Potential

The Credit Potential rolling 12-month view shows the number of mid-score credit inquiries by 20-point band along with the number (and percentage) of inquiries that may increase by at least one 20-point credit band within a 30-day timeframe. CreditXpert's proprietary predictive credit score platform is used to highlight the potential increase each applicant could achieve within 30 days if they complete a custom action plan. CreditXpert has analyzed over 750M credit inquiries since its founding in 2001.

## Rolling 12 Month Comparison – All Credit Scores

### 12 Months Ending 5/31/2021

### 12 Months Ending 5/31/2022

Score Band	12 Months Ending May 2021	# Increase by at least 20 Points	% Increase by at least 20 Points	12 Months Ending May 2022	# Increase by at least 20 Points	% Increase by at least 20 Points	YoY Change #	YoY Change %
340-359	2	1	50.00%	-	-	-	-100.00%	
360-379	21	21	100.00%	15	15	100.00%	-28.57%	0%
380-399	144	143	99.31%	189	187	98.94%	30.77%	0%
400-419	1,065	1,013	95.12%	1,477	1,436	97.22%	41.76%	2%
420-439	5,215	4,953	94.98%	6,823	6,570	96.29%	32.65%	1%
440-459	16,694	15,541	93.09%	20,836	19,846	95.25%	27.70%	2%
460-479	42,703	38,589	90.37%	49,154	45,984	93.55%	19.16%	4%
480-499	89,333	78,087	87.41%	93,937	85,630	91.16%	9.66%	4%
500-519	152,453	127,880	83.88%	150,407	132,938	88.39%	3.96%	5%
520-539	242,689	195,981	80.75%	229,434	195,789	85.34%	-0.10%	6%
540-559	353,096	274,430	77.72%	335,396	274,226	81.76%	-0.07%	5%
560-579	505,215	384,440	76.09%	495,623	394,780	79.65%	2.69%	5%
580-599	739,349	554,598	75.01%	752,005	587,540	78.13%	5.94%	4%
600-619	1,042,315	773,239	74.18%	1,061,615	819,045	77.15%	5.92%	4%
620-639	1,448,418	1,044,909	72.14%	1,368,903	1,024,557	74.85%	-1.95%	4%
640-659	1,758,505	1,227,462	69.80%	1,552,543	1,119,704	72.12%	-8.78%	3%
660-679	1,832,498	1,231,052	67.18%	1,626,432	1,109,366	68.21%	-9.88%	2%
680-699	1,927,698	1,263,018	65.52%	1,671,143	1,099,249	65.78%	-12.97%	0%
700-719	1,982,727	1,298,759	65.50%	1,652,664	1,099,459	66.53%	-15.35%	2%
720-739	2,047,592	1,453,150	70.97%	1,677,036	1,211,469	72.24%	-16.63%	2%
740-759	2,309,151	1,692,715	73.30%	1,842,770	1,350,883	73.31%	-20.19%	0%
760-779	2,861,563	1,964,622	68.66%	2,168,956	1,486,324	68.53%	-24.35%	0%
780-799	3,653,752	2,183,316	59.76%	2,537,983	1,468,088	57.84%	-32.76%	-3%
800-819	3,043,568	295,456	9.71%	1,791,755	161,741	9.03%	-45.26%	-7%
820-839	165,370	2,015	1.22%	83,610	1,576	1.88%	-21.79%	55%
840-850	2,087	-	0.00%	1,295	-	0.00%		
<b>Total</b>	<b>26,223,223</b>	<b>16,105,390</b>	<b>61.42%</b>	<b>21,172,001</b>	<b>13,696,402</b>	<b>64.69%</b>	<b>-14.96%</b>	<b>5%</b>
<b>759 or Below</b>	<b>16,496,883</b>	<b>11,659,981</b>	<b>70.68%</b>	<b>14,588,402</b>	<b>10,578,673</b>	<b>72.51%</b>	<b>-9.27%</b>	<b>3%</b>





