

Mortgage Credit Potential Index

 creditxpert

August 2022

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.





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Welcome to CreditXpert

CreditXpert was founded over 20 years ago with a vision of helping to make the dream of homeownership accessible and affordable for all.

Make mortgage credit scores transparent and actionable by lenders and their borrowers. Understanding credit, and what drives a score, ensures borrowers are “credit-ready” when they find their new home.

We pioneered the idea that credit scores shouldn't just happen to people. Borrowers have a right to understand the significant impact their score has on what is likely the biggest transaction of their lives. More importantly, we want to empower borrowers to improve their score and secure the best rates and terms. Homeownership, to us, is serious business.

CreditXpert works with the top lenders in the country to put credit first, at the time of origination. Our AI-driven analytics answer complex credit score questions for all borrowers, regardless of credit score. The suggestions made by our technology lead to real, lasting credit score improvement. Borrowers save money by securing better rates and terms. Lenders are able to offer a differentiated service and improve their profitability by increasing the percentage of loans that make it to the closing table. Everyone wins.

Mike Darne
Vice President of Marketing
CreditXpert



Over the past year
CreditXpert
Analyzed **19.1M**
mid-score credit
inquiries.

In the 12 months ending August 31, 2022,
CreditXpert analyzed 19.1M mid-score
credit inquiries.



74% of all mid-score inquiries
below 760 may be able to
increase their score by at least
one 20-point band within 30
days.*

*Applicants could be more likely to increase their credit score if
they complete a customer CreditXpert action plan



Total credit inquiries
between 640 and 759
in the last 12 months.

4.1M

August 31, 2021 - August 31, 2022

How many inquiries
could achieve a 20-point
higher credit score in 30
days?*

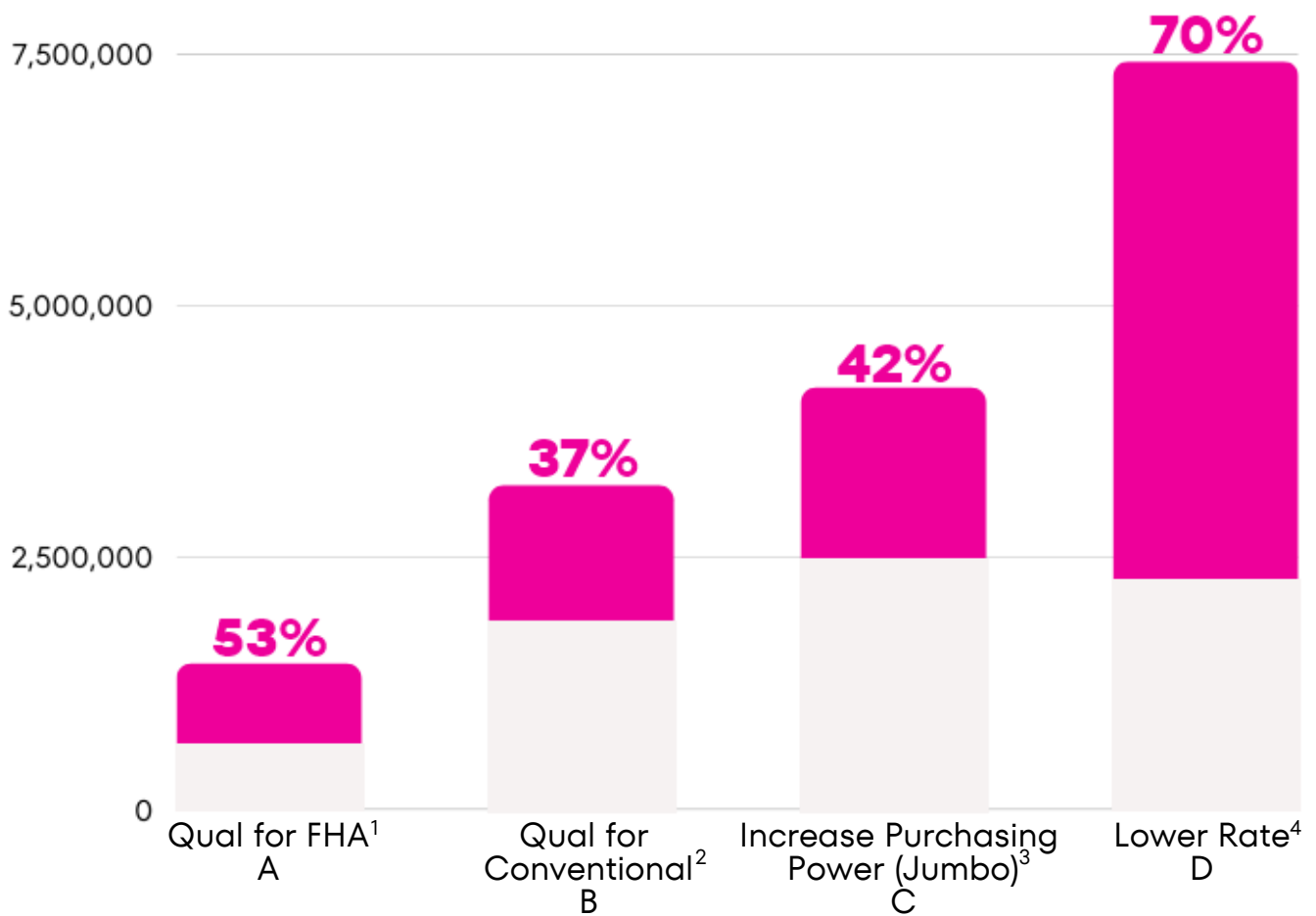
5.17M

*Higher score achievable if applicant
completes 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 August 31, 2022, CreditXpert analyzed 7,415,725 mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, 5,170,779 may be able to increase their score by at least one 20-point band within 30-days if they complete a custom action plan.

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.

How many people could increase their credit score by 20-points or more in 30 days by completing a CreditXpert Action Plan?*



- A. Total initial inquiries below 579 that may be able to achieve 580 or higher within 30 days if they complete a custom
- B. 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
- C. Total initial inquiries below 679 that may be able to achieve 680 or higher within 30 days if they complete a custom action plan
- D. 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

1 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.

2 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.

3 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.

4 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 by Mid-Score⁵

The Credit Inquiries view shows the number of mortgage credit inquiries by each 20-point band analyzed by CreditXpert in the months of August 2021, July 2022 and August 2022. As most mortgage credit inquires are three bureau pulls, the score band represents the mid-score.*

Score Band	August 2021 Inquiries	August 2021 % of Total Inquiries	July 2022 Inquiries	July 2022 % of Total Inquiries	August 2022 Inquiries	August 2022 % of Total Inquiries	MoM* Change	YoY^ Change
340-359	0	0.00%	0	0.00%	0	0.00%		
360-379	1	0.00%	2	0.00%	3	0.00%	50.00%	200.00%
380-399	12	0.00%	14	0.00%	30	0.00%	114.29%	150.00%
400-419	85	0.00%	164	0.01%	174	0.01%	6.10%	104.71%
420-439	444	0.02%	778	0.06%	956	0.07%	22.88%	115.32%
440-459	1,405	0.07%	2,443	0.20%	2,912	0.21%	19.20%	107.26%
460-479	3,308	0.16%	5,599	0.45%	6,797	0.49%	21.40%	105.47%
480-499	6,717	0.33%	9,929	0.80%	11,982	0.86%	20.68%	78.38%
500-519	11,339	0.56%	14,871	1.19%	17,371	1.25%	16.81%	53.20%
520-539	18,418	0.90%	20,704	1.66%	23,991	1.72%	15.88%	30.26%
540-559	27,865	1.37%	28,239	2.26%	31,483	2.26%	11.49%	12.98%
560-579	41,600	2.04%	39,011	3.13%	43,464	3.12%	11.41%	4.48%
580-599	63,482	3.12%	56,989	4.57%	62,590	4.49%	9.83%	-1.41%
600-619	91,320	4.48%	75,687	6.07%	83,793	6.01%	10.71%	-8.24%
620-639	124,579	6.11%	87,208	6.99%	96,642	6.93%	10.82%	-22.43%
640-659	143,032	7.02%	96,439	7.73%	105,846	7.59%	9.75%	-26.00%
660-679	151,277	7.43%	98,213	7.87%	109,017	7.82%	11.00%	-27.94%
680-699	157,619	7.74%	97,824	7.84%	109,698	7.87%	12.14%	-30.40%
700-719	158,533	7.78%	95,138	7.63%	107,041	7.68%	12.51%	-32.48%
720-739	161,656	7.93%	96,296	7.72%	107,754	7.73%	11.90%	-33.34%
740-759	181,363	8.90%	101,677	8.15%	114,500	8.21%	12.61%	-36.87%
760-779	221,695	10.88%	112,537	9.02%	126,248	9.06%	12.18%	-43.05%
780-799	267,486	13.13%	124,028	9.94%	137,394	9.85%	10.78%	-48.64%
800-819	193,863	9.52%	80,010	6.42%	90,569	6.50%	13.20%	-53.28%
820-839	10,124	0.50%	3,285	0.26%	3,908	0.28%	18.96%	-61.40%
840-850	142	0.01%	71	0.01%	65	0.00%	-8.45%	-54.23%
	2,037,365		1,247,156		1,394,228		11.79%	-31.57%

Key Takeaways

-31.57% YoY Change

+11.79% MoM Change

* MoM Change compares July 2022 to August 2022 volume.

^ YoY Change compares August 2021 to August 2022 volume.

⁵ 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 by Mid-Score - August 2021 v 2022

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.

Score Band	12 Months Ending August 2021	12 Months Ending August 2021 % of Total Inquiries	12 Months Ending August 2022	12 Months Ending August 2022 % of Total Inquiries	August 2021 - 2022 YoY Change
340-359	0	0.00%	2	0.00%	-
360-379	15	0.00%	20	0.00%	33.33%
380-399	135	0.00%	223	0.00%	65.19%
400-419	1,053	0.00%	1,704	0.01%	61.82%
420-439	5,086	0.02%	8,177	0.04%	60.77%
440-459	16,100	0.06%	24,709	0.13%	53.47%
460-479	40,954	0.16%	57,179	0.30%	39.62%
480-499	84,389	0.33%	105,972	0.55%	25.58%
500-519	144,290	0.56%	163,790	0.86%	13.51%
520-539	230,915	0.90%	240,584	1.26%	4.19%
540-559	341,688	1.34%	341,066	1.78%	-0.18%
560-579	498,939	1.95%	495,064	2.59%	-0.78%
580-599	744,694	2.91%	741,610	3.88%	-0.41%
600-619	1,063,996	4.16%	1,026,081	5.37%	-3.56%
620-639	1,479,102	5.78%	1,268,584	6.63%	-14.23%
640-659	1,763,941	6.90%	1,425,326	7.45%	-19.20%
660-679	1,838,054	7.19%	1,486,315	7.77%	-19.14%
680-699	1,923,325	7.52%	1,513,213	7.91%	-21.32%
700-719	1,958,237	7.66%	1,484,962	7.77%	-24.17%
720-739	2,009,628	7.86%	1,505,909	7.88%	-25.07%
740-759	2,256,971	8.82%	1,636,296	8.56%	-27.50%
760-779	2,779,042	10.87%	1,884,615	9.86%	-32.18%
780-799	3,485,299	13.63%	2,156,031	11.28%	-38.14%
800-819	2,763,450	10.80%	1,487,524	7.78%	-46.17%
820-839	146,559	0.57%	66,043	0.35%	-54.94%
840-850	1,907	0.01%	1,109	0.01%	-41.85%
	25,577,769		19,122,108		-25.24%

Rolling 12 Month Comparison

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 August 2021

Score Band	Total Inquiries	# Increase by at least 20 points	% Increase by at least 20 Points
340-359	0	0	0
360-379	15	15	100.00%
380-399	135	133	98.52%
400-419	1,053	1,003	95.25%
420-439	5,086	4,839	95.14%
440-459	16,100	15,045	93.45%
460-479	40,954	37,285	91.04%
480-499	84,389	74,498	88.28%
500-519	144,290	122,359	84.80%
520-539	230,915	188,571	81.66%
540-559	341,688	267,781	78.37%
560-579	498,939	382,893	76.74%
580-599	744,694	563,344	75.65%
600-619	1,063,996	795,877	74.80%
620-639	1,479,102	1,072,364	72.50%
640-659	1,763,941	1,233,285	69.92%
660-679	1,838,054	1,232,839	67.07%
680-699	1,923,325	1,257,121	65.36%
700-719	1,958,237	1,284,771	65.61%
720-739	2,009,628	1,431,867	71.25%
740-759	2,256,971	1,656,272	73.38%
760-779	2,779,042	1,912,550	68.82%
780-799	3,485,299	2,074,886	59.53%
800-819	2,763,450	268,730	9.72%
820-839	146,559	1,954	1.33%
840-850	1,907	0	0.00%
Total	25,577,769	15,880,282	62.09%
759 or Below	16,401,512	11,622,162	70.86%

12 Months Ending August 2022

Total Inquiries	# Increase by at Least 20 Points	% Increase by at least 20 Points	YoY Change	% Change YoY
2	2	100.00%	0	0.00%
20	20	100.00%	33.33%	0.00%
223	220	98.65%	65.41%	0.13%
1,704	1,662	97.54%	65.70%	2.29%
8,177	7,906	96.69%	63.38%	1.55%
24,709	23,622	95.60%	57.01%	2.15%
57,179	53,604	93.75%	43.77%	2.71%
105,972	97,182	91.71%	30.45%	3.43%
163,790	146,188	89.25%	19.47%	4.45%
240,584	207,629	86.30%	10.11%	4.64%
341,066	283,231	83.04%	5.77%	4.67%
495,064	399,849	80.77%	4.43%	4.03%
741,610	586,050	79.02%	4.03%	3.37%
1,026,081	800,695	78.03%	0.61%	3.23%
1,268,584	964,142	76.00%	-10.09%	3.50%
1,425,326	1,045,305	73.34%	-15.24%	3.42%
1,486,315	1,027,687	69.14%	-16.64%	2.07%
1,513,213	1,005,401	66.44%	-20.02%	1.08%
1,484,962	998,613	67.25%	-22.27%	1.64%
1,505,909	1,093,773	72.63%	-23.61%	1.38%
1,636,296	1,198,026	73.22%	-27.67%	-0.16%
1,884,615	1,287,647	68.32%	-32.67%	-0.50%
2,156,031	1,231,396	57.11%	-40.65%	-2.42%
1,487,524	129,218	8.69%	-51.92%	-1.03%
66,043	1,415	2.14%	-27.58%	0.81%
1,109	0	0.00%	0.00%	0.00%
19,122,108	12,590,483	65.84%	-20.72%	1.86%
13,526,786	9,940,807	73.49%	-14.47%	2.67%

Meet the Team



William Coates
CreditXpert - Business Intelligence Lead



Dan Green
Blackfin Group - Principal



Chase Arvanitis
CreditXpert - Director of Performance Marketing



Mike Darne
CreditXpert - VP of Marketing



CreditXpert
1600 W 41st Ste 100
Baltimore, MD 21211