



# Mortgage Credit Potential Index™

July 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

**19.8M**

In the 12 months ending July 31, 2022, CreditXpert analyzed 19.8M mid-score credit inquiries. This represents a decrease of 29% over the 12 months ending July 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>

**755K/ 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 July 31, 2022, CreditXpert analyzed 1,410,521 mid-score credit inquiries below 579. Of these inquiries, 747,300 could better their score to 580 or higher within 30 days if they complete a custom action plan.

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

**1.20M/ 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 July 31, 2022, CreditXpert analyzed 3,186,631 mid-score credit inquiries below 619. Of these inquiries, 1,210,919 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>

**1.77M/ 41%**

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 July 31, 2022, CreditXpert analyzed 4,290,000 mid-score credit inquiries below the 680-qualification threshold for a Jumbo mortgage. Of these inquiries, 1,758,900 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>

**5.31M/ 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 July 31, 2022, CreditXpert analyzed 7,650,000 mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, 5,278,500 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 July 2021, June 2022 and July 2022. As most mortgage credit inquiries are three bureau pulls, the score band represents the mid-score.

## Monthly Comparison

Score Band	July 2021 Inquiries	July 2021 % of Total Inquiries	June 2022 Inquiries	June 2022 % of Total Inquiries	July 2022 Inquiries	July 2022 % of Total Inquiries	MoM* Change	YoY^ Change
340-359	—	0.00%	2	0.00%	—	0.00%	-100.00%	—
360-379	1	0.00%	2	0.00%	2	0.00%	0.00%	100.00%
380-399	8	0.00%	20	0.00%	14	0.00%	-30.00%	75.00%
400-419	81	0.00%	151	0.01%	164	0.01%	8.61%	102.47%
420-439	360	0.02%	835	0.06%	778	0.06%	-6.83%	116.11%
440-459	1,266	0.06%	2,451	0.18%	2,443	0.20%	-0.33%	92.97%
460-479	3,259	0.17%	5,624	0.42%	5,599	0.45%	-0.44%	71.80%
480-499	6,566	0.33%	10,178	0.76%	9,929	0.80%	-2.45%	51.22%
500-519	11,074	0.56%	15,270	1.14%	14,871	1.19%	-2.61%	34.29%
520-539	17,982	0.91%	21,698	1.61%	20,704	1.66%	-4.58%	15.14%
540-559	26,907	1.36%	29,926	2.23%	28,239	2.26%	-5.64%	4.95%
560-579	40,436	2.05%	42,192	3.14%	39,011	3.13%	-7.54%	-3.52%
580-599	62,203	3.15%	61,822	4.60%	56,989	4.57%	-7.82%	-8.38%
600-619	89,668	4.54%	81,724	6.08%	75,687	6.07%	-7.39%	-15.59%
620-639	123,151	6.24%	95,633	7.12%	87,208	6.99%	-8.81%	-29.19%
640-659	140,433	7.12%	105,169	7.82%	96,439	7.73%	-8.30%	-31.33%
660-679	147,141	7.46%	107,484	8.00%	98,213	7.87%	-8.63%	-33.25%
680-699	153,511	7.78%	106,901	7.95%	97,824	7.84%	-8.49%	-36.28%
700-719	154,269	7.82%	101,964	7.59%	95,138	7.63%	-6.69%	-38.33%
720-739	156,300	7.92%	102,197	7.60%	96,296	7.72%	-5.77%	-38.39%
740-759	174,145	8.82%	108,229	8.05%	101,677	8.15%	-6.05%	-41.61%
760-779	211,744	10.73%	119,846	8.92%	112,537	9.02%	-6.10%	-46.85%
780-799	257,226	13.04%	133,167	9.91%	124,028	9.94%	-6.86%	-51.78%
800-819	186,195	9.44%	87,853	6.54%	80,010	6.42%	-8.93%	-57.03%
820-839	9,254	0.47%	3,606	0.27%	3,285	0.26%	-8.90%	-64.50%
840-850	138	0.01%	69	0.01%	71	0.01%	2.90%	-48.55%
	<b>1,973,318</b>		<b>1,344,013</b>		<b>1,247,156</b>		<b>-9.73%</b>	<b>-29.68%</b>

\*MoM Change compares June 2022 to July 2022 volume.

^ YoY Change compares July 2021 to July 2022 volume.

6The 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 July 2021 and July 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 July 2021	12 Months Ending July 2021 % of Total Inquiries	12 Months Ending July 2022	12 Months Ending July 2022 % of Total Inquiries	July 2021 - 2022 YoY Change
340-359	2	0.00%	2	0.00%	0.00%
360-379	16	0.00%	18	0.00%	12.50%
380-399	134	0.00%	205	0.00%	52.99%
400-419	1,052	0.00%	1,615	0.01%	52.07%
420-439	5,092	0.02%	7,665	0.04%	50.53%
440-459	16,086	0.06%	23,202	0.12%	44.24%
460-479	41,462	0.16%	53,690	0.27%	29.49%
480-499	85,732	0.33%	100,707	0.51%	17.47%
500-519	146,775	0.57%	157,758	0.80%	7.48%
520-539	234,893	0.90%	235,011	1.19%	0.07%
540-559	346,069	1.33%	337,448	1.71%	-2.49%
560-579	501,994	1.93%	493,200	2.50%	-1.75%
580-599	745,345	2.87%	742,502	3.76%	-0.38%
600-619	1,060,808	4.08%	1,033,608	5.23%	-2.56%
620-639	1,475,848	5.68%	1,296,521	6.56%	-12.15%
640-659	1,771,433	6.82%	1,462,512	7.40%	-17.44%
660-679	1,845,467	7.11%	1,528,575	7.73%	-17.17%
680-699	1,936,183	7.46%	1,561,134	7.90%	-19.37%
700-719	1,978,556	7.62%	1,536,454	7.77%	-22.34%
720-739	2,035,965	7.84%	1,559,811	7.89%	-23.39%
740-759	2,291,363	8.82%	1,703,159	8.62%	-25.67%
760-779	2,829,605	10.90%	1,980,062	10.02%	-30.02%
780-799	3,575,906	13.77%	2,286,123	11.57%	-36.07%
800-819	2,887,234	11.12%	1,590,818	8.05%	-44.90%
820-839	154,491	0.59%	72,259	0.37%	-53.23%
840-850	1,983	0.01%	1,186	0.01%	-40.19%
	25,969,494		19,765,245		-23.89%



# 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 7/30/2021

Score Band	12 Months Ending July 2021	# Increase by at least 20 Points	% Increase by at least 20 Points
340-359	2	1	50.00%
360-379	16	16	100.00%
380-399	134	133	99.25%
400-419	1,052	1,012	95.29%
420-439	5,092	4,836	94.97%
440-459	16,086	14,999	93.24%
460-479	41,462	37,637	90.77%
480-499	85,732	75,368	87.91%
500-519	146,775	123,985	84.47%
520-539	234,893	190,991	81.33%
540-559	346,069	270,329	78.11%
560-579	501,994	383,974	76.49%
580-599	745,345	562,106	75.42%
600-619	1,060,808	790,589	74.53%
620-639	1,475,848	1,066,911	72.29%
640-659	1,771,433	1,236,314	69.79%
660-679	1,845,467	1,237,588	67.06%
680-699	1,936,183	1,265,361	65.35%
700-719	1,978,556	1,296,526	65.53%
720-739	2,035,965	1,448,557	71.15%
740-759	2,291,363	1,681,038	73.36%
760-779	2,829,605	1,946,707	68.80%
780-799	3,575,906	2,133,227	59.66%
800-819	2,887,234	281,451	9.75%
820-839	154,491	1,967	1.27%
840-850	1,983	—	0.00%
<b>Total</b>	<b>25,969,450</b>	<b>16,051,623</b>	<b>61.81%</b>
<b>759 or Below</b>	<b>16,520,231</b>	<b>11,688,271</b>	<b>70.75%</b>

### 12 Months Ending 7/30/2022

12 Months Ending July 2022	# Increase by at least 20 Points	% Increase by at least 20 Points	YoY Change #	YoY Change %
2	2	100.00%	100.00%	50.0%
18	18	100.00%	12.50%	0.0%
205	202	98.54%	51.88%	-0.7%
1,615	1,575	97.52%	55.63%	2.2%
7,665	7,403	96.58%	53.08%	1.6%
23,202	22,157	95.50%	47.72%	2.3%
53,690	50,291	93.67%	33.62%	2.9%
100,707	92,175	91.53%	22.30%	3.6%
157,758	140,345	88.96%	13.20%	4.5%
235,011	202,050	85.97%	5.79%	4.6%
337,448	278,807	82.62%	3.14%	4.5%
493,200	396,508	80.39%	3.26%	3.9%
742,502	584,737	78.75%	4.03%	3.3%
1,033,608	803,681	77.75%	1.66%	3.2%
1,296,521	980,809	75.65%	-8.07%	3.4%
1,462,512	1,066,557	72.93%	-13.73%	3.1%
1,528,575	1,051,683	68.80%	-15.02%	1.7%
1,561,134	1,033,076	66.17%	-18.36%	0.8%
1,536,454	1,028,793	66.96%	-20.65%	1.4%
1,559,811	1,130,596	72.48%	-21.95%	1.3%
1,703,159	1,248,093	73.28%	-25.75%	-0.1%
1,980,062	1,355,214	68.44%	-30.38%	-0.4%
2,286,123	1,314,013	57.48%	-38.40%	-2.2%
1,590,818	140,707	8.84%	-50.01%	-0.9%
72,259	1,457	2.02%	-25.93%	0.8%
1,186	—	0.00%	—	—
<b>19,765,245</b>	<b>12,930,949</b>	<b>65.42%</b>	<b>-19.44%</b>	<b>2.2%</b>
<b>13,834,797</b>	<b>10,119,558</b>	<b>73.15%</b>	<b>-13.42%</b>	<b>2.4%</b>





