



 **creditxpert[®]**

Mortgage Credit Potential Index[™]

June 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.¹ 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.

Table of Contents

June 2022 MCPI Overview	3 - 5
MCPI Data Tables (June 2022)	
Monthly Credit Inquiry Volume	6
12-Month Credit Inquiry Volume	7
Credit Potential	8

¹ 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

20.5M

In the 12 months ending June 30, 2022, CreditXpert analyzed 20.5M mid-score credit inquiries. This represents a decrease of 21.12% over the 12 months ending June 20, 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

746K/ 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 June 30, 2022, CreditXpert analyzed 1,396,707 mid-score credit inquiries below 579. Of these inquiries, 746,469 could better their score to 580 or higher within 30 days if they complete a custom action plan.

Conventional Mortgage

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 June 30, 2022, CreditXpert analyzed 3,192,012 mid-score credit inquiries below 619. Of these inquiries, 1,202,444 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.

² 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.

³ 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 Mortgage⁴

1.80M/ 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 June 30, 2022, CreditXpert analyzed 4,416,473 mid-score credit inquiries below the 680-qualification threshold for a Jumbo mortgage. Of these inquiries, 1,802,181 may be able to increase their score to 680 or higher within 30 days if they complete a custom action plan.

Better Rates⁵

5.48M/ 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 June 30, 2022, CreditXpert analyzed 7,916,230 mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, 5,476,384 may be able to increase their score by at least one 20-point band within 30-days if they complete a custom action plan.

⁴ 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.

⁵ 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 June 2021, May 2022 and June 2022. As most mortgage credit inquiries are three bureau pulls, the score band represents the mid-score⁶.

Monthly Comparison

Score Category	June 2021 Inquiries	June 2021 % of Total Inquiries	May 2022 Inquiries	Percent of May 2022 Inquiries	June 2022 Inquiries	Percent of June 2022 Inquiries	MoM Change	YoY Change
340-359	0	0.00%	0	0.00%	2	0.00%	—	—
360-379	0	0.00%	3	0.00%	2	0.00%	-33.33%	—
380-399	10	0.00%	16	0.00%	20	0.00%	25.00%	100.00%
400-419	96	0.00%	136	0.01%	151	0.01%	11.03%	57.29%
420-439	411	0.02%	702	0.05%	835	0.06%	18.95%	103.16%
440-459	1,262	0.06%	2,081	0.15%	2,451	0.18%	17.78%	94.22%
460-479	3,428	0.17%	4,699	0.33%	5,624	0.42%	19.69%	64.06%
480-499	6,771	0.33%	8,720	0.61%	10,178	0.76%	16.72%	50.32%
500-519	11,716	0.58%	13,712	0.97%	15,270	1.14%	11.36%	30.33%
520-539	18,843	0.93%	20,219	1.42%	21,698	1.61%	7.31%	15.15%
540-559	29,206	1.44%	28,736	2.02%	29,926	2.23%	4.14%	2.47%
560-579	43,190	2.13%	41,415	2.92%	42,192	3.14%	1.88%	-2.31%
580-599	66,111	3.27%	61,118	4.31%	61,822	4.60%	1.15%	-6.49%
600-619	95,750	4.73%	83,665	5.89%	81,724	6.08%	-2.32%	-14.65%
620-639	132,072	6.52%	99,173	6.99%	95,633	7.12%	-3.57%	-27.59%
640-659	151,206	7.47%	110,834	7.81%	105,169	7.82%	-5.11%	-30.45%
660-679	156,413	7.73%	113,867	8.02%	107,484	8.00%	-5.61%	-31.28%
680-699	161,223	7.96%	113,311	7.98%	106,901	7.95%	-5.66%	-33.69%
700-719	159,043	7.86%	108,926	7.67%	101,964	7.59%	-6.39%	-35.89%
720-739	159,418	7.87%	109,781	7.73%	102,197	7.60%	-6.91%	-35.89%
740-759	175,372	8.66%	117,039	8.24%	108,229	8.05%	-7.53%	-38.29%
760-779	209,533	10.35%	131,529	9.26%	119,846	8.92%	-8.88%	-42.80%
780-799	251,829	12.44%	148,279	10.44%	133,167	9.91%	-10.19%	-47.12%
800-819	182,605	9.02%	97,763	6.89%	87,853	6.54%	-10.14%	-51.89%
820-839	8,988	0.44%	3,832	0.27%	3,606	0.27%	-5.90%	-59.88%
840-850	111	0.01%	86	0.01%	69	0.01%	-19.77%	-37.84%
	2,024,607		1,419,642		1,344,013		-5.33%	-33.62%

*MoM Change compares May 2022 to June 2022 volume.

^ YoY Change compares June 2021 to June 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 June 2021 and June 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 June 2021	12 Months Ending June 2021	12 Months Ending June 2022	12 Months Ending June 2022	June 2021 - 2022
		% of Total Inquiries		% of Total Inquiries	YoY Change
340-359	2	0.00%	2	0.00%	0.00%
360-379	18	0.00%	17	0.00%	-5.53%
380-399	137	0.00%	199	0.00%	45.26%
400-419	1,061	0.00%	1,532	0.01%	44.39%
420-439	5,086	0.02%	7,247	0.04%	42.49%
440-459	16,143	0.06%	22,025	0.11%	36.44%
460-479	41,614	0.16%	51,350	0.25%	23.40%
480-499	86,352	0.33%	97,344	0.48%	12.73%
500-519	148,070	0.57%	153,961	0.75%	3.98%
520-539	236,322	0.91%	232,289	1.13%	-1.71%
540-559	346,658	1.33%	336,116	1.64%	-3.04%
560-579	499,751	1.92%	494,625	2.41%	-1.03%
580-599	737,002	2.84%	747,716	3.65%	1.45%
600-619	1,044,942	4.02%	1,047,589	5.11%	0.25%
620-639	1,453,380	5.59%	1,332,464	6.50%	-8.32%
640-659	1,755,017	6.76%	1,506,506	7.35%	-14.16%
660-679	1,828,492	7.04%	1,577,503	7.70%	-13.73%
680-699	1,920,977	7.39%	1,616,821	7.89%	-15.83%
700-719	1,970,349	7.58%	1,595,585	7.79%	-19.02%
720-739	2,031,847	7.82%	1,619,815	7.90%	-20.28%
740-759	2,291,218	8.82%	1,775,627	8.67%	-22.50%
760-779	2,836,553	10.92%	2,079,269	10.15%	-26.70%
780-799	3,607,599	13.89%	2,419,321	11.81%	-32.94%
800-819	2,957,481	11.38%	1,697,003	8.28%	-42.62%
820-839	159,667	0.61%	78,228	0.38%	-51.01%
840-850	2,000	0.01%	1,253	0.01%	-37.35%
	25,977,738		20,491,407		-21.12%



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 6/30/2021

12 Months Ending 6/30/2022

Score Band	12 Months Ending June 2021	# Increase by at least 20 Points	% Increase by at least 20 Points	12 Months Ending June 2022	# Increase by at least 20 Points	% Increase by at least 20 Points	YoY Change #	YoY Change %
340-359	2	0	50.00%	2	2	100.00%	100.00%	50.00%
360-379	18	18	100.00%	17	17	100.00%	-5.56%	0.00%
380-399	137	136	99.27%	199	196	98.49%	44.12%	-0.78%
400-419	1,061	1,012	95.38%	1,532	1,489	97.19%	47.13%	1.81%
420-439	5,086	4,833	95.03%	7,247	6,988	96.43%	44.59%	1.40%
440-459	16,143	15,029	93.10%	22,025	21,001	95.35%	39.74%	2.25%
460-479	41,614	37,664	90.51%	51,350	48,076	93.62%	27.64%	3.11%
480-499	86,352	75,629	87.58%	97,344	88,943	91.37%	17.60%	3.79%
500-519	148,070	124,578	84.13%	153,961	136,550	88.69%	9.61%	4.56%
520-539	236,322	191,393	80.99%	232,289	199,056	85.69%	4.00%	4.70%
540-559	346,658	270,106	77.92%	336,116	276,424	82.24%	2.34%	4.32%
560-579	499,751	381,101	76.26%	494,625	396,045	80.07%	3.92%	3.81%
580-599	737,002	554,110	75.18%	747,716	586,668	78.46%	5.88%	3.28%
600-619	1,044,942	776,635	74.32%	1,047,589	811,580	77.47%	4.50%	3.15%
620-639	1,453,380	1,048,946	72.17%	1,332,464	1,003,051	75.28%	-4.38%	3.11%
640-659	1,755,017	1,224,033	69.74%	1,506,506	1,092,751	72.54%	-10.73%	2.80%
660-679	1,828,492	1,226,291	67.07%	1,577,503	1,080,632	68.50%	-11.88%	1.43%
680-699	1,920,977	1,256,496	65.41%	1,616,821	1,066,342	65.95%	-15.13%	0.54%
700-719	1,970,349	1,290,369	65.49%	1,595,585	1,064,539	66.72%	-17.50%	1.23%
720-739	2,031,847	1,443,508	71.04%	1,619,815	1,172,120	72.36%	-18.80%	1.32%
740-759	2,291,218	1,679,970	73.32%	1,775,627	1,302,258	73.34%	-22.48%	0.02%
760-779	2,836,553	1,949,595	68.73%	2,079,269	1,425,598	68.56%	-26.88%	-0.17%
780-799	3,607,599	2,155,087	59.74%	2,419,321	1,397,247	57.75%	-35.17%	-1.99%
800-819	2,957,481	288,488	9.75%	1,697,003	152,157	8.97%	-47.26%	-0.78%
820-839	159,667	1,979	1.24%	78,228	1,544	1.97%	-21.98%	0.73%
840-850	2,000	0	0.00%	1,253	—	0.00%	—	0.00%
Total	25,977,738	15,997,007	61.58%	20,491,407	13,331,274	65.06%	-16.66%	1.81%
759 or Below	16,414,438	11,601,858	70.68%	14,216,333	10,354,728	72.84%	-10.75	2.53%



