



creditxpert[®]

**Mortgage Credit
Potential Index[™]**

April 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 plan¹. 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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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

22.5M

In the 12 months ending March 31, 2022, CreditXpert analyzed 22.5M mid-score credit inquiries. This represents a decrease of 12.05% over the 12 months ending March 31, 2021.

72%

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 Mortgage²

727K / 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 March 2022, CreditXpert analyzed 1,376,478 mid-score credit inquiries below 579. Of these inquiries, 727,489 could better their score to 580 or higher within 30 days if they complete a custom action plan.

Conventional Mortgage³

1.22M / 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 March 31, 2022, CreditXpert analyzed 3,229,028 mid-score credit inquiries below 619. Of these inquiries, 1,216,516 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

1.91M / 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 March 31, 2022, CreditXpert analyzed 4,804,682 mid-score credit inquiries below the 680-qualification threshold for a Jumbo mortgage. Of these inquiries, 1,907,312 may be able to increase their score to 680 or higher within 30 days if they complete a custom action plan.

Better Rates⁵

5.93M / 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 March 31, 2022, CreditXpert analyzed 8,668,839 mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, 5,931,329 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 March 2021, February 2022 and March 2022. As most mortgage credit inquiries are three bureau pulls, the score band represents the mid-score⁶.

Monthly Comparison

Score Band	March 2021		February 2022		March 2022		MoM * Change	YoY ^ Change
	March 2021	% of Total Inquiries	February 2022	% of Total Inquiries	March 2022	% of Total Inquiries		
360-379	-	0.00%	-	0.00%	4	0.00%	0.00%	0.00%
380-399	17	0.00%	17	0.00%	23	0.00%	35.29%	35.29%
400-419	114	0.00%	193	0.01%	195	0.01%	1.04%	71.05%
420-439	524	0.02%	742	0.04%	833	0.04%	12.26%	58.97%
440-459	1,804	0.07%	2,297	0.13%	2,415	0.13%	5.14%	33.87%
460-479	4,373	0.17%	4,958	0.29%	5,705	0.30%	15.07%	30.46%
480-499	8,895	0.35%	9,452	0.55%	10,282	0.54%	8.78%	15.59%
500-519	15,188	0.60%	14,267	0.83%	16,374	0.87%	14.77%	7.81%
520-539	24,165	0.96%	20,802	1.21%	23,665	1.25%	13.76%	-2.07%
540-559	35,423	1.41%	29,296	1.71%	33,442	1.77%	14.15%	-5.59%
560-579	52,281	2.08%	42,898	2.50%	48,863	2.58%	13.91%	-6.54%
580-599	77,758	3.09%	64,242	3.75%	75,137	3.97%	16.96%	-3.37%
600-619	111,333	4.42%	89,229	5.21%	103,722	5.48%	16.24%	-6.84%
620-639	157,408	6.25%	110,919	6.47%	127,896	6.76%	15.31%	-18.75%
640-659	184,181	7.31%	126,302	7.37%	143,659	7.59%	13.74%	-22.00%
660-679	189,402	7.52%	133,251	7.78%	149,384	7.89%	12.11%	-21.13%
680-699	194,345	7.72%	136,525	7.97%	151,308	8.00%	10.83%	-22.14%
700-719	193,976	7.70%	134,391	7.84%	146,788	7.76%	9.22%	-24.33%
720-739	196,692	7.81%	136,356	7.96%	147,764	7.81%	8.37%	-24.88%
740-759	215,874	8.57%	148,710	8.68%	159,859	8.45%	7.50%	-25.95%
760-779	256,590	10.19%	169,315	9.88%	181,925	9.61%	7.45%	-29.10%
780-799	318,923	12.67%	194,463	11.35%	208,855	11.04%	7.40%	-34.51%
800-819	264,161	10.49%	138,903	8.11%	148,045	7.82%	6.58%	-43.96%
820-839	14,436	0.57%	5,978	0.35%	6,155	0.33%	2.96%	-57.36%
840-850	212	0.01%	107	0.01%	115	0.01%	7.48%	-45.75%
	2,518,075	100.00%	1,713,613	100.00%	1,892,413	100.00%	10.43%	-24.85%

* MoM Change compares February 2022 to March 2022 volume.

^ YoY Change compares March 2021 to March 2022 volume.

⁶ 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 March 2021 and March 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 March 2021		12 Months Ending March 2022		March 2021 - 2022 YoY Change
	12 Months Ending March 2021	% of Total Inquiries	12 Months Ending March 2022	% of Total Inquiries	
340-359	2	0.00%	0	0.00%	-100.00%
360-379	20	0.00%	15	0.00%	-25.00%
380-399	164	0.00%	175	0.00%	6.71%
400-419	1,160	0.00%	1,365	0.01%	17.67%
420-439	5,743	0.02%	6,263	0.03%	9.05%
440-459	18,280	0.07%	19,291	0.09%	5.53%
460-479	45,999	0.18%	46,431	0.21%	0.94%
480-499	95,729	0.37%	90,353	0.40%	-5.62%
500-519	161,415	0.63%	147,149	0.66%	-8.84%
520-539	251,849	0.99%	228,326	1.02%	-9.34%
540-559	358,796	1.40%	337,515	1.50%	-5.93%
560-579	503,757	1.97%	501,150	2.23%	-0.52%
580-599	724,388	2.84%	763,371	3.40%	5.38%
600-619	1,007,127	3.94%	1,089,179	4.85%	8.15%
620-639	1,386,226	5.43%	1,441,183	6.42%	3.96%
640-659	1,693,432	6.63%	1,644,984	7.32%	-2.86%
660-679	1,765,194	6.91%	1,718,515	7.65%	-2.64%
680-699	1,863,469	7.30%	1,768,887	7.88%	-5.08%
700-719	1,925,069	7.54%	1,755,855	7.82%	-8.79%
720-739	1,989,942	7.79%	1,780,598	7.93%	-10.52%
740-759	2,245,023	8.79%	1,960,827	8.73%	-12.66%
760-779	2,779,062	10.88%	2,323,814	10.35%	-16.38%
780-799	3,549,940	13.90%	2,750,632	12.25%	-22.52%
800-819	2,999,748	11.75%	1,987,878	8.85%	-33.73%
820-839	163,943	0.64%	95,957	0.43%	-41.47%
840-850	2,044	0.01%	1,408	0.01%	-31.12%
	25,537,521	100.00%	22,461,121	100.00%	-12.05%



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

12 Months Ending 3/31/2021

12 Months Ending 3/31/2022

Score Band	12 Months Ending March 2021	# Increase by at least 20 Points	% Increase by at least 20 Points	12 Months Ending March 2022	# Increase by at least 20 Points	% Increase by at least 20 Points	YoY Change
340-359	2	1	50.00%	0	-	0.00%	N/A
360-379	20	20	100.00%	15	15	100.00%	-33.33%
380-399	164	162	98.78%	175	173	98.86%	6.36%
400-419	1,160	1,098	94.66%	1,365	1,325	97.07%	17.13%
420-439	5,743	5,446	94.83%	6,263	6,012	95.99%	9.41%
440-459	18,280	16,970	92.83%	19,291	18,327	95.00%	7.40%
460-479	45,999	41,546	90.32%	46,431	43,239	93.13%	3.92%
480-499	95,729	83,589	87.32%	90,353	81,793	90.53%	-2.20%
500-519	161,415	135,119	83.71%	147,149	128,804	87.53%	-4.90%
520-539	251,849	202,876	80.55%	228,326	192,718	84.40%	-5.27%
540-559	358,796	278,533	77.63%	337,515	272,658	80.78%	-2.15%
560-579	503,757	383,453	76.12%	501,150	394,810	78.78%	2.88%
580-599	724,388	544,232	75.13%	763,371	590,692	77.38%	7.87%
600-619	1,007,127	749,487	74.42%	1,089,179	832,241	76.41%	9.94%
620-639	1,386,226	1,006,689	72.62%	1,441,183	1,065,941	73.96%	5.56%
640-659	1,693,432	1,192,923	70.44%	1,644,984	1,171,197	71.20%	-1.86%
660-679	1,765,194	1,198,850	67.92%	1,718,515	1,161,580	67.59%	-3.21%
680-699	1,863,469	1,233,000	66.17%	1,768,887	1,157,289	65.42%	-6.54%
700-719	1,925,069	1,267,964	65.87%	1,755,855	1,161,079	66.13%	-9.21%
720-739	1,989,942	1,415,357	71.13%	1,780,598	1,280,184	71.90%	-10.56%
740-759	2,245,023	1,651,838	73.58%	1,960,827	1,435,040	73.19%	-15.11%
760-779	2,779,062	1,914,707	68.90%	2,323,814	1,589,020	68.38%	-20.50%
780-799	3,549,940	2,132,058	60.06%	2,750,632	1,594,239	57.96%	-33.74%
800-819	2,999,748	290,565	9.69%	1,987,878	182,215	9.17%	-59.46%
820-839	163,943	1,925	1.17%	95,957	1,712	1.78%	-12.44%
840-850	2,044			1,408			
Total	25,537,521	15,748,408	61.67%	22,461,121	14,362,303	63.94%	-9.65%
759 or Below	16,042,784	11,409,153	71.12%	15,301,432	10,995,117	71.86%	-3.77%



