



Mortgage Credit Potential Index™

March 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

23.1M

In the 12 months ending February 28, 2022, CreditXpert analyzed 23.5M mid-score credit inquiries. This represents a decrease of 8% over the 12 months ending February 28, 2021.

72%

Of all mid-score inquiries below 760 may be able to increase 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

724K / 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 February 2022, CreditXpert analyzed 1,377,552 mid-score credit inquiries below 579. Of these inquiries, 723,806 could increase 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 February 28, 2022, CreditXpert analyzed 3,241,798 mid-score credit inquiries below 619. Of these inquiries, 1,216,032 may be able to increase 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

1.94M / 39% 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 February 28, 2022, CreditXpert analyzed 4,914,734 mid-score credit inquiries below the 680-qualification threshold for a Jumbo mortgage. Of these inquiries, 1,939,993 may be able to increase their score to 680 or higher within 30 days if they complete a custom action plan.

Better Rates⁵

6.06M / 68% 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 February 28, 2022, CreditXpert analyzed 8,888,532 mid-score credit inquiries between 640 and 759 where a 20-point band increase could lead to a lower interest rate. Of these inquiries, 6,065,823 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 February 2021, January 2022 and February 2022. As most mortgage credit inquires are three bureau pulls, the score band represents the mid-score⁶.

Monthly Comparison

Score Band	February 21		January 22		February 22		MoM Change	YoY Change
	February 21	% of Total Inquiries	January 22	% of Total Inquiries	February 22	% of Total Inquiries		
360-379	1	0.00%	1	0.00%	0	0.00%	0.00%	0.00%
380-399	19	0.00%	21	0.00%	17	0.00%	-19.05%	-10.53%
400-419	122	0.01%	161	0.01%	193	0.01%	19.88%	58.20%
420-439	535	0.02%	744	0.04%	742	0.04%	-0.27%	38.69%
440-459	1,586	0.07%	2,299	0.12%	2,297	0.13%	-0.09%	44.83%
460-479	3,847	0.17%	5,167	0.28%	4,958	0.29%	-4.04%	28.88%
480-499	7,709	0.34%	9,534	0.52%	9,452	0.55%	-0.86%	22.61%
500-519	13,042	0.58%	14,515	0.78%	14,267	0.83%	-1.71%	9.39%
520-539	20,045	0.89%	21,661	1.17%	20,802	1.21%	-3.97%	3.78%
540-559	29,157	1.30%	31,120	1.68%	29,296	1.71%	-5.86%	0.48%
560-579	42,379	1.88%	46,197	2.50%	42,898	2.50%	-7.14%	1.22%
580-599	62,046	2.76%	68,287	3.69%	64,242	3.75%	-5.92%	3.54%
600-619	88,575	3.94%	95,177	5.14%	89,229	5.21%	-6.25%	0.74%
620-639	123,949	5.51%	117,113	6.33%	110,919	6.47%	-5.29%	-10.51%
640-659	151,734	6.75%	133,229	7.20%	126,302	7.37%	-5.20%	-16.76%
660-679	158,585	7.05%	142,444	7.70%	133,251	7.78%	-6.45%	-15.98%
680-699	164,968	7.33%	146,086	7.90%	136,525	7.97%	-6.54%	-17.24%
700-719	168,770	7.50%	144,794	7.83%	134,391	7.84%	-7.18%	-20.37%
720-739	175,262	7.79%	148,384	8.02%	136,356	7.96%	-8.11%	-22.20%
740-759	198,644	8.83%	163,809	8.85%	148,710	8.68%	-9.22%	-25.14%
760-779	246,532	10.96%	191,299	10.34%	169,315	9.88%	-11.49%	-31.32%
780-799	313,967	13.96%	217,015	11.73%	194,463	11.35%	-10.39%	-38.06%
800-819	263,463	11.71%	144,945	7.83%	138,903	8.11%	-4.17%	-47.28%
820-839	14,454	0.64%	6,043	0.33%	5,978	0.35%	-1.08%	-58.64%
840-850	165	0.01%	99	0.01%	107	0.01%	8.08%	-35.15%
	2,249,556	100.00%	1,850,144	100.00%	1,713,613	100.00%	-7.38%	-23.82%

* MoM Change compares January 2022 to February 2022 volume.

^ YoY Change compares February 2021 to February 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 view shows the number of mortgage credit inquiries by each 20-point band analyzed by CreditXpert in the 12 months ending February 2021 and February 2022. As most mortgage credit inquires are three bureau pulls, the score band represents the mid-score.

Rolling 12 Month Comparison

Score Band	12 M Ending February 21	12 M Ending February 21 % of Total Inquiries	12 M Ending February 22	12 M Ending February 22 % of Total Inquiries	Feb 2021 - 2022 YoY Change
340-359	2	0.00%	0	0.00%	-100.00%
360-379	22	0.00%	11	0.00%	-50.00%
380-399	168	0.00%	169	0.00%	0.60%
400-419	1,225	0.00%	1,284	0.01%	4.82%
420-439	5,990	0.02%	5,954	0.03%	-0.60%
440-459	18,987	0.08%	18,680	0.08%	-1.62%
460-479	47,411	0.19%	45,099	0.20%	-4.88%
480-499	98,372	0.39%	88,966	0.39%	-9.56%
500-519	163,992	0.65%	145,963	0.63%	-10.99%
520-539	252,912	1.01%	228,826	0.99%	-9.52%
540-559	357,257	1.42%	339,496	1.47%	-4.97%
560-579	496,856	1.98%	504,568	2.19%	1.55%
580-599	710,404	2.83%	765,992	3.32%	7.82%
600-619	980,552	3.91%	1,096,790	4.75%	11.85%
620-639	1,332,907	5.31%	1,470,695	6.37%	10.34%
640-659	1,628,199	6.49%	1,685,506	7.30%	3.52%
660-679	1,705,174	6.80%	1,758,533	7.62%	3.13%
680-699	1,814,225	7.23%	1,811,924	7.85%	-0.13%
700-719	1,887,552	7.52%	1,803,043	7.81%	-4.48%
720-739	1,958,355	7.81%	1,829,526	7.92%	-6.58%
740-759	2,218,763	8.84%	2,016,842	8.74%	-9.10%
760-779	2,760,088	11.00%	2,398,479	10.39%	-13.10%
780-799	3,527,069	14.06%	2,860,700	12.39%	-18.89%
800-819	2,959,396	11.80%	2,103,994	9.11%	-28.90%
820-839	159,940	0.64%	104,238	0.45%	-34.83%
840-850	1,994	0.01%	1,505	0.01%	-24.52%
	25,087,812	100.00%	23,086,783	100.00%	-7.98%



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 2/28/2021

12 Months Ending 2/28/2022

Score Band	12 M Ending February 21	# Increase by		12 M Ending February 22	# Increase by		YoY Change
		at least 20 Points	% Increase by at least 20 Points		at least 20 Points	% Increase by at least 20 Points	
340-359	2	1	50.00%	0	-	0.00%	N/A
360-379	22	22	100.00%	11	11	100.00%	-100.00%
380-399	168	166	98.81%	169	167	98.82%	0.60%
400-419	1,225	1,165	95.10%	1,284	1,239	96.50%	5.97%
420-439	5,990	5,678	94.79%	5,954	5,697	95.68%	0.33%
440-459	18,987	17,619	92.80%	18,680	17,681	94.65%	0.35%
460-479	47,411	42,795	90.26%	45,099	41,840	92.77%	-2.28%
480-499	98,372	85,944	87.37%	88,966	80,202	90.15%	-7.16%
500-519	163,992	137,273	83.71%	145,963	127,076	87.06%	-8.02%
520-539	252,912	203,990	80.66%	228,826	191,825	83.83%	-6.34%
540-559	357,257	277,652	77.72%	339,496	272,523	80.27%	-1.88%
560-579	496,856	379,202	76.32%	504,568	395,227	78.33%	4.05%
580-599	710,404	535,091	75.32%	765,992	589,906	77.01%	9.29%
600-619	980,552	732,249	74.68%	1,096,790	834,408	76.08%	12.24%
620-639	1,332,907	972,068	72.93%	1,470,695	1,082,908	73.63%	10.24%
640-659	1,628,199	1,155,139	70.95%	1,685,506	1,194,592	70.87%	3.30%
660-679	1,705,174	1,167,656	68.48%	1,758,533	1,185,602	67.42%	1.51%
680-699	1,814,225	1,209,622	66.67%	1,811,924	1,184,150	65.35%	-2.15%
700-719	1,887,552	1,249,151	66.18%	1,803,043	1,189,630	65.98%	-5.00%
720-739	1,958,355	1,398,952	71.44%	1,829,526	1,311,849	71.70%	-6.64%
740-759	2,218,763	1,643,444	74.07%	2,016,842	1,474,799	73.12%	-11.44%
760-779	2,760,088	1,917,725	69.48%	2,398,479	1,638,415	68.31%	-17.05%
780-799	3,527,069	2,142,051	60.73%	2,860,700	1,659,884	58.02%	-29.05%
800-819	2,959,396	287,398	9.71%	2,103,994	195,022	9.27%	-47.37%
820-839	159,940	1,852	1.16%	104,238	1,784	1.71%	-3.81%
840-850	1,994			1,505			
Total	25,087,812	15,563,905	62.04%	23,086,783	14,676,437	63.57%	
759 or Below	15,679,325	11,214,879	71.53%	15,617,867	11,181,332	71.59%	-0.30%



