# There's More to Mortgages than Credit Scores

## Learn how Fannie Mae and our lenders use credit score models in mortgage lending

#### What are credit score models?

Credit score models used by Fannie Mae today:

- Use data collected by the three consumer credit reporting companies: Equifax, TransUnion, and Experian.
- Generate the 3-digit credit scores that are required for most mortgage loans purchased or securitized by Fannie Mae.
- Help assess borrower creditworthiness.



Fannie Mae tests and validates required credit score models for accuracy, reliability, and integrity.

## A better picture with DU

For over 20 years, Desktop Underwriter® (DU®) has been the industry's leading automated underwriting system. It helps mortgage lenders determine whether a loan meets Fannie Mae's requirements.

DU's comprehensive risk assessment considers multiple factors, including:

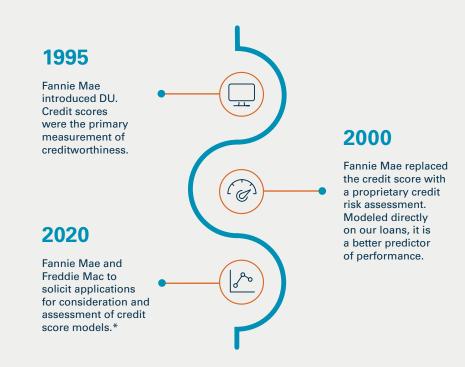
- Loan purpose and loan-to-value ratio.
- Borrower credit report data.
- Borrower debt-to-income ratio.

### How do we use credit scores?

Credit scores are not part of DU, but Fannie Mae relies on them to:

- Help establish a minimum credit threshold for mortgage lending.
- Provide a foundation for risk-based pricing.
- Support disclosures to mortgage investors.

DU's assessment is fair and objective and uses the same criteria for every mortgage loan application.



Fannie Mae also has options for lenders to make mortgage loans to eligible borrowers who do not have credit scores or traditional credit histories.

Learn more about <u>DU's risk assessment</u>. Learn more about the <u>credit score model risk assessment</u>.

