What Consumers (Don't) Know About Credit Scores

While most consumers know credit scores are important, they don't know credit score specifics—including what's required to get a mortgage—according to a study conducted by Fannie Mae's Economic & Strategic Research group. Here are three other things we learned...

They Are Perplexed



82%of respondents say they have seen their credit score

(**54%** say they've seen their score within the past six months)



49%

don't know what their score is, or they give a number outside the 350-850 range

2

They Overestimate (A Lot)

Avg. Credit Score Consumers Think Lenders Require

652

32 point difference

ACTUAL SCORE FANNIE MAE REQUIRES

620



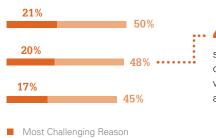
Less-educated and **lower-income** consumers are less knowledgeable about credit score requirements.

They Think It's An Obstacle

Insufficient Income to Afford Monthly Mortgage Payments

Insufficient Credit Score or Credit History

Too Much Existing Debt Payments



48%

say an insufficient credit score is one of the top three reasons it would be difficult for them to get a mortgage

Most Challenging ReasonTop Three Most Challenging Reasons



To learn more, read our study:

What do consumers know about the Mortgage Qualification Criteria?

Fannie Mae considers a number of factors in determining eligibility for its acquisition of loans, including, but not limited to, the borrower's credit score, LTV ratio, DTI ratio, cash reserves, property type, and loan type, as detailed in its Selling Guide. Fannie Mae takes these and other factors into consideration, and stronger factors may compensate for weaker ones. It is important to understand that requirements are not always fixed or applicable in every case. For instance, HomeReady" mortgage permits consideration of income from a non-borrower household member as a compensating factor to allow DTIs up to 50% under certain circumstances. Visit Fannie Mae's Eligibility Matrix to see an example of how factors are applied.