

FREQUENTLY ASKED QUESTIONS

Trended Credit Data

Q Why is this happening?

A Fannie Mae announced that they will start requiring all lenders to use trended credit data when underwriting single-family loans through Desktop Underwriter®, beginning mid-year 2016. With Fannie Mae's trended data policy as the impetus, Equifax and TransUnion have replaced the current credit report for mortgage origination with new products that include trended credit data, which they are requiring on lender credit reports effective with Desktop Underwriter 10.0's implementation.

Q What is Trended Credit Data?

A Trended credit data reflects the historical data on borrower credit behavior and includes up to 24 months of tradeline level credit information such as balance, credit limit, high credit, scheduled payment and actual payment. Trended credit data is FCRA-regulated and is disputable.

Q What are the benefits of Trended Credit Data?

A Per Fannie Mae, their underwriting focus at this time is on revolving accounts, to better ascertain a more precise credit risk analysis. Among other benefits, the trended credit data will allow lenders to determine if the borrower tends to pay off revolving credit lines such as credit cards each month, or if the borrower tends to carry a balance from month-to-month while making minimum or other payment amounts.

Q When will Trended Credit Data be available?

A CoreLogic began including trended credit data in a raw data format to Fannie Mae at the end of March to ensure their system can process the data as expected. Customers should not notice this change. **Customers will see trended credit data on August 1, 2016 on Print images /eye readable reports (F1 (Text, PDF, HTML) and Enhanced Views).** XML will be updated to include the new trended data once the MISMO organization has determined the recommended formatting approach. Please note the size of the files will be significantly larger than the current credit reports.

Trended Credit Data was originally slated to go into effect on June 25, 2016, but Fannie Mae has postponed the implementation date until September 24, 2016.

Q When will Fannie Mae provide an updated Selling Guide to lenders?

A Fannie Mae has published their release notes for DU Version 10.0. They note that trended data will be a part of the release.

For more information, view the DU release notes below. Selling Guide will follow:

https://www.fanniemae.com/content/release_notes/du-do-release-notes-06252016.pdf

Fannie Mae commentary and information graphics are available here:

<http://www.fanniemae.com/portal/about-us/media/commentary/030816-rosenblatt.html>

Q Is Trended Credit Data available from all three bureaus?

A Not at this time. Fannie Mae is going live with trended credit data from Equifax and TransUnion starting April 1st. Experian is not yet ready to deliver trended credit data with online transactions.

Q I submit loans through both Freddie Mac and Fannie Mae. How will it impact me?

A CoreLogic began sending this new trended credit data in raw data format to Fannie Mae late March. Freddie Mac is not yet ready to consume trended credit data. We will continue to provide Freddie with redacted raw bureau files as per their current specifications until they are able to utilize trended credit data. For both systems, trended data will be provided in the F1 TXT file beginning late June.

Q Will Trended Credit Data impact credit scores?

A No, existing score models from FICO and Vantage Score are not utilizing trended credit data.

Q Will Trended Credit Data be displayed in LQ, LQ GAP and Encore products?

A At this time there will be no change to the report output for LQ, LQ GAP and Encore products. Clients will access trended credit data on the initial Instant Merge credit report.

Q Can a lender request verification of Trended Credit Data?

A Lenders may request verification of trended credit data on tradelines via Merge Plus, Anthem and RMCR. Verification is limited to a maximum of 24 months of historical data and will incur an additional cost per tradeline.

Q Will Trended Credit Data affect CreditXpert?

A No, although the internal CreditXpert software is being updated to support credit reports in the trended credit data format. Additionally, the CreditXpert update will allow customers to take advantage of the latest improvements in score forecasting.

Q Will Trended Credit Data affect Undisclosed Debt Monitoring?

A No, trended credit data will not have any affected on our Undisclosed Debt Monitoring product format and delivery.

Q Will Trended Credit Data be displayed on all active tradelines from Equifax and TransUnion?

A Yes, if provided by the bureaus, trended credit data for the most recent 24 months will be displayed on all active tradelines from Equifax and TransUnion. Each bureau has exclusions for trended data display, so it is possible for the information not to appear on every active tradeline.

Q Will Trended Credit Data be displayed on consumer copies of credit reports?

A Yes, trended credit data will be displayed on consumer copies of credit reports provided upon consumer request.

Q Will Trended Credit Data impact reaccess / reissue requests?

A CoreLogic began to pass trended credit data in raw bureau reports to Fannie Mae at the end of March. If a credit report is pulled after March, then reissued after FNMA DU 10.0 release., the trended data will be reflected on the reissued report

Q Once Fannie Mae starts using the Trended Credit Data in their underwriting at the end of June, will consumer disputes for Trended Credit Data be managed by CoreLogic?

A Yes. Trended credit data is FCRA regulated and is disputable.

Q How will the LOS systems ensure consistent implementation and readiness?

A Trended credit data elements have been added to the MISMO 3.4 reference model. However, end users (e.g., LOS providers, lenders) who need this data in their XML response files have not yet adopted the v3.4 model and need a standard way to accommodate this data in the MISMO 2.3.1 model. The MISMO organization is actively advancing an effort to put forth a recommendation to accommodate trended credit data for users of the MISMO 2.3.1 reference model. More information will follow in future updates.

Q I am not yet ready to consume Trended Credit Data in XML. What options do I have?

A In June, trended credit data will be included on credit report print images. The display of trended credit data on XML credit reports is pending the MISMO organization guidance.

Q Is there a new addendum required for the Trended Credit Data?

A No, a new addendum is not required for trended credit data in most cases.

Q How do I request Trended Credit Data?

A All mortgage origination accounts will be updated late June to receive trended credit data. No separate request is required to turn on trended credit data.

Q I do not submit loans through Fannie Mae. Can I be excluded from this requirement?

A No, Equifax and TransUnion have mandated all Credit Resellers to include trended credit data on all mortgage origination credit reports regardless of whether they use Fannie Mae Desktop Underwriter. Bureau exceptions to trended credit data delivery include prequalification credit reports, broker approvals, home equity, loan counselors, consumer lending, commercial lending, private Banking and post-closing transactions (QC and servicing/account review). Please note these exceptions may vary by bureau.

Q Do Canadian credit files support Trended Credit Data?

A No, Canadian credit files do not support Trended Credit Data at this time.

Q Why do some tradelines have trended credit data but others do not?

A Not all tradelines qualify - below is an example of certain tradelines where trended credit data might not be present

- Authorized User Child/Family Support Collections
- Duplicate trade
- Insufficient Information to Score: File contains no trade, inquiry, collection or public record.
- Less than 6 months of history in an Open status.
- Lost/Stolen
- Masked trade data for certain narrative codes (bankruptcy, in dispute, medical, repossession, foreclosure, etc.)
- Months since reported > 24
- Public Records
- Subject Deceased

Q Do the balances shown reflect the balance before or after the monthly payment?

A Trended Credit Data reflects the balance after the monthly payment was made as reported by the data furnisher for the applicable tradeline.