



Trended Credit Data from Equifax

Mortgage Lender Frequently Asked Questions

What is trended credit data?

Trended credit data provides an expanded, more granular view of the consumer by leveraging 24 months of a consumer's past balance, payment, and credit utilization history. It provides a fuller picture of a consumer's credit behavior, supplementing the traditional moment-in-time credit snapshot with a more dynamic 2-year picture of a consumer's history of managing revolving accounts. With 24 months of historical data (such as payment and balance), lenders may be able to see how consumers have managed their credit accounts over time, allowing them to better predict future behavior and assess risk. For example, a consumer with a large credit card balance who pays in full every month (a "transactor") likely has a higher level of creditworthiness than a consumer with a large credit card balance who only makes the minimum required payment (a "revolver"). Existing credit reports can't always differentiate between these two types of consumers.

Why is trended credit data being added to tri-merge credit reports?

This new trended credit data initiative could significantly change the mortgage lending industry and the evaluation of home loan applicants. Fannie Mae's use of trended credit data from Equifax will replace the static snapshot of a consumer's credit balances with 24 months of historical payment data, providing a more comprehensive view of the applicant.

When will trended credit data be required by Fannie Mae for loans underwritten through Desktop Underwriter® (DU®)?

Trended credit data will be required for loan casefiles underwritten through DU Version 10.0, which will be released the weekend of June 25, 2016.

When Fannie Mae begins to use trended credit data in DU, will the other credit reporting agencies participate as well?

TransUnion will be delivering trended credit data to the tri-merge resellers to incorporate into the new tri-merge report as well.

Why is Equifax Mortgage Solutions (EMS) migrating in March instead of June?

In order to ensure reissue of legacy credit reports, all resellers are migrating in March to allow 90 days on the new trended credit reports to avoid credit file errors of tri-merge credit submissions to DU Version 10.0.

Will this data have an effect on the DU credit risk assessment?

Fannie Mae has stated that DU Version 10.0 will use trended credit data in the credit risk assessment. Refer to the [DU Version 10.0 Release Notes](#) for additional information. The trended data will need to be included on the printable credit report at the time of the DU 10.0 release.

Will this change how I order my credit reports?

No. The ordering and delivery of the credit reports will remain as is today (via LOS, Equifax eMortgage, etc.).

Should this data impact how we make a decision on a loan?

It is our understanding that lenders will not be required to assess the impact of the trended credit data separately from the borrower's overall payment history. For additional information on Fannie Mae's requirements, refer to the DU Version 10.0 Release Notes and the Fannie Mae *Selling Guide*.

I don't sell my loans to Fannie Mae. Do I still have to use this new report?

Yes. The old version of the mortgage tri-merge reports will not be supported. All tri-merge resellers will be required to purchase the new standard mortgage reports with trended credit data from both credit bureaus.

Will Freddie Mac accept the new trended tri-merge data in Loan Prospector®?

At this time, Freddie Mac will not receive the new data elements in the machine readable formats; however, they will receive the new tri-merge human readable print images embedded within the machine readable (XML or .dat and FFF raw file) formats.

If I sell a loan to Freddie Mac that went through DU, how do I get the trended credit data to Freddie Mac?

There is no process change on submitting credit to a Government Sponsored Entity (GSE). All will be receiving the trended tri-merge credit reports.

What do I do if a consumer finds incorrect data?

Consumers will be able to dispute via the tri-merge reseller that produced the trended credit data report or the credit bureau associated with the data.

How do I read the trended credit data?

Please contact your Equifax representative or EMS Sales Support for a training guide.

Would I use the Actual Payment or the Scheduled Payment in my debt ratio calculation?

Please refer to your underwriting guidelines or Fannie Mae's *Selling Guide*.

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

Not all tradelines qualify. Refer to the criteria chart below.

Trended Credit Data May Not Be Present When Account Is:	Equifax	Trans Union
Authorized User	X	
Child/Family Support	X	
Collections	X	X
Duplicate trade	X	X
Insufficient Information to Score: File contains no trade, inquiry, collection or public record.	X	X
Less than 6 months of history in an Open status.	X	X
Lost/Stolen	X	
Masked trade data for certain narrative codes (bankruptcy, in dispute, medical, repossession, foreclosure, ...)	X	X
Medical	X	
Months since reported > 24	X	X
Public Records	X	X
Subject Deceased	X	X
System Reject - Model Delivery is Temporarily Unavailable	X	X

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

Equifax trended credit data reflects the balance after the monthly payment was made as reported by the data furnisher for the applicable tradeline.

What would be reflected in the trended credit data if a customer missed a payment?

If EMS received a "blank" value, we display the blank as a dash (e.g. "-|100;"). If we received a 0 in the raw data, it will be displayed as "0|0|100;". Please note that EMS is merging the trended credit data received from Equifax and TransUnion, so if we receive a 0 or blank from Equifax and receive a value of 50 from TransUnion, we will display the 50 in the report (e.g. "50|50|100;").

Where will the data be populated?

For EMS, the trended credit data will be reflected under each applicable tradeline on the trended credit data tri-merge report.

When will trended credit data be available in MISMO?

Our understanding is MISMO has added containers for trended credit data in their 3.4 version; however, they are actively reviewing a possible solution for MISMO 2.3 with more information expected soon.

Will the trended credit data report be available for all GSE's?

EMS will produce one trended credit data tri-merge report for our mortgage customers.

What are other government agencies (e.g. the Federal Housing Administration or Veterans Affairs) doing about trended credit data? Will they accept a report with trended credit data?

There is no process change on submitting credit to other government agencies. All will receive the trended credit data tri-merge reports in the print image format at a minimum.

Will the incorporation of the trended credit data have an effect on the borrower's credit score?

No. Mortgage credit scores do not include trended credit data.

Will trended credit data be available to reflect payments made on collection accounts?

No. Third-party collections accounts do not contain account history; therefore, trended credit data will not be displayed.

Can additional months of trended credit data be requested (beyond what is provided in the report)?

Trended credit data is only available for 24 months at this time.

