

Foreclosure Prevention and Housing Issues for Military Personnel

Mortgage Loan Remediation Reporting and Impact to Score

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Considered

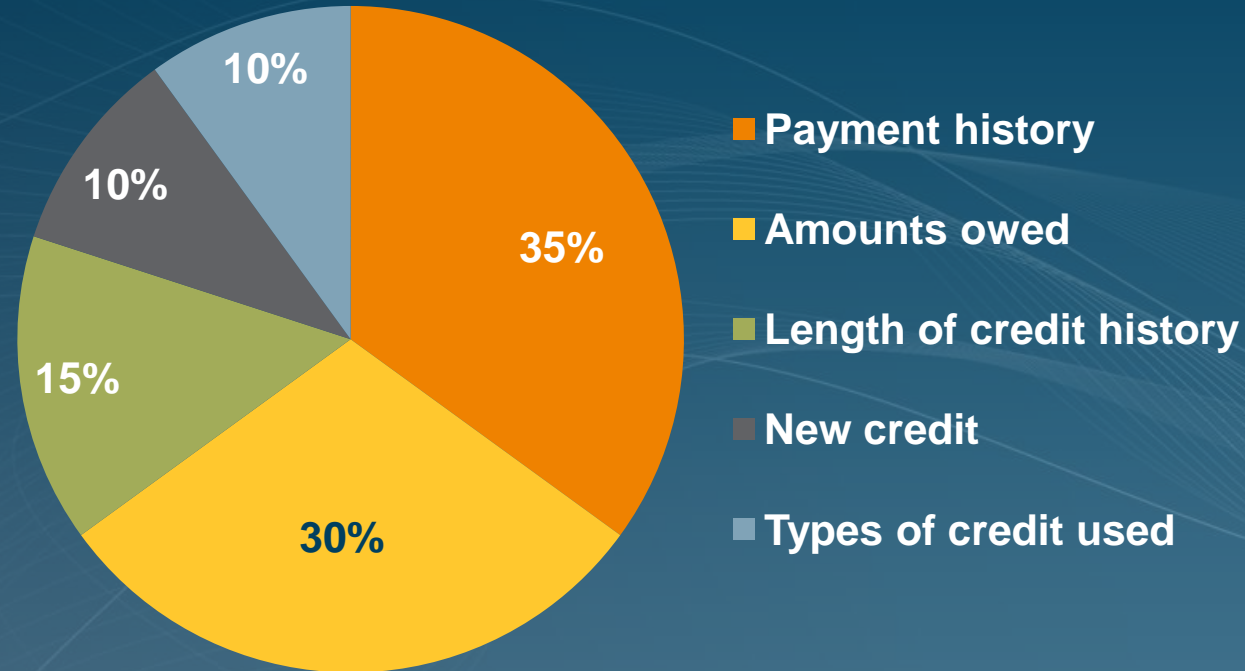
- ✓ Trade lines
- ✓ Inquiries
- ✓ Collections
- ✓ Public Records

Not Considered

- ✗ Age
- ✗ Address
- ✗ Employment
- ✗ Income
- ✗ Gender

Categories of Predictive Characteristics

How a FICO® Score Breaks Down



Mortgage Loan/Mod Workout Reporting



- » Special comment codes referenced in General Reporting Guidelines for various mortgage loan mod/workout programs:

Special Comment Code*	Code Status	General Reporting Guidelines*
AC – Paying under a partial payment agreement	Legacy Code	Referenced in Making Home Affordable, Fannie Mae/Freddie Mac and Loan Forbearance programs
AC – Paying under a partial payment <i>or modified</i> agreement	Rewording of code to be enacted Sept 2009	Referenced in Making Home Affordable, Fannie Mae/Freddie Mac and Loan Forbearance programs and General Guidelines for Renegotiated or Refinanced Loans
CN – Loan modified under a federal government plan	Enacted Nov 2009	Referenced in Making Home Affordable, Fannie Mae/Freddie Mac and Loan Forbearance programs
AS – Account closed due to refinancing	Legacy Code	Referenced in the Hope for Homeowners program and General Guidelines for Renegotiated or Refinanced Loans
AU – Account paid in full for less than the full balance	Legacy Code	Referenced in Short Sales
BT – Principle Deferred/Interest Payment only	Legacy Code	Referenced in Loans in Forbearance
BO – Foreclosure proceedings started	Legacy Code	Referenced in Different Stages of Foreclosure

* Source: CDIA Mortgage & Home Equity Reporting Guidelines In Response to Current Financial Conditions

Mortgage Delinquency Impact To FICO® Score



	Consumer A	Consumer B	Consumer C
Starting FICO Score	~680	~720	~780
FICO® Score after these events:			
30 days late on mortgage	600-620	630-650	670-690
90 days late on mortgage	600-620	610-630	650-670
Short sale / deed-in-lieu / settlement (no deficiency balance)	610-630	605-625	655-675
Short sale (with deficiency balance)	575-595	570-590	620-640
Foreclosure	575-595	570-590	620-640
Bankruptcy	530-550	525-545	540-560

Source: FICO® Banking Analytics Blog. ©2011 Fair Isaac Corporation

Estimated Time For FICO® Score To Fully Recover



	Consumer A	Consumer B	Consumer C
Starting FICO Score	~680	~720	~780
FICO® Score after these events:			
30 days late on mortgage	~9 months	~2.5 years	~3 years
90 days late on mortgage	~9 months	~3 years	~7 years
Short sale / deed-in-lieu / settlement (no deficiency balance)	~3 years	~7 years	~7 years
Short sale (with deficiency balance)	~3 years	~7 years	~7 years
Foreclosure	~3 years	~7 years	~7 years
Bankruptcy	~5 years	~7-10 years	~7-10 years

Source: FICO® Banking Analytics Blog. ©2011 Fair Isaac Corporation

Overtime, FICO® Scores Can Rebound



- » Most delinquency and derogatory related items required to be purged after 7 years*
- » As delinquency and derogatory information ages on the credit report, less points are lost for “recency related” characteristics (assumes no new late payments hit the file)
- » Demonstration of other sound credit behaviors will help the score
 - » Keep balances low
 - » Make payments on time
 - » Only apply for credit when needed

* Bankruptcies can remain on file for 10 years.

- » Wealth of credit scoring information at www.myFICO.com and www.scoreinfo.org
- » Consumer can also obtain their FICO score, explanation and underlying credit report to understand their specific credit situation
- » Other FICO credit educational brochures and learning aids available as well



[Understanding credit reports and scores](#) 789kb

This booklet helps you understand credit reports and the factors considered in FICO scoring.

Credit Education Center

Smart credit decisions begin here.



Educational Videos

Videos; an all new way to learn about credit.



[Signs of looming credit problems](#)

Duration: 44 minutes | Conducted on: April 11, 2008

There are usually signs that credit trouble is coming. This web how to use your FICO score to spot these signs – and how to prevent a personal credit crisis from arriving.



[Credit in today's climate](#)

Duration: 38 minutes | Conducted on: February 22, 2008

FICO scoring expert Ethan Dornhelm sheds light on the FICO: and explains many of the misconceptions around FICO scores familiar with FICO scores or new to credit, this webinar covers topics from "how to get the best FICO scores" to "what credit re watch out for".



[Holiday best practices webinar](#)

Duration: 34 minutes | Conducted on: November 8, 2007

Whether you have good credit or bad credit, it can be challenging credit standing through the holiday season. November's myFIC discuss the ways you can protect your credit and avoid falling i pitfalls. During this 20 minute webinar we'll cover the following

THANK YOU

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