



Beyond the Score

Credit Reporting Changes Impacting Mortgage Lenders



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Regional Vice President

With 30 years of experience in the credit reporting industry, Mark Teta is a passionate specialist dedicated to educating others. Mark excels in reviewing credit files, interpreting data, and facilitating informative seminars and "lunch and learn" events to foster valuable relationships and guide clients in making informed decisions about mortgage loans.



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With nearly 25 years of experience in the credit and mortgage industry, Paul Robinson has worked in almost all aspects of the field, from credit and rescore processing to tech support and sales. He is passionate about educating clients on workflow efficiencies and all things mortgage credit.



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The Certified Difference

Diversity and people focused

As a woman-owned and Dodd-Frank Section 342 Vendor, Certified Credit has a true commitment to diversity and inclusion.

Specialized support for our customers - and yours

Our onboarding process is designed to maximize efficiency and minimize disruption. In addition, we provide free educational seminars for your team so that they can better support your customers

Commitment to customization

With hundreds of flexible options and the commitment not to squeeze your team into a box that doesn't fit, Certified can tailor our products and information to suit your specific needs.

Pricing to fit your needs

Whether it is a Front or Back-End bundle, Step-Up pricing, Smart Select, Smart Pay, or our low cost Prequal Soft Pulls, we have a vested interest in helping you analyze where there are opportunities to improve your P&L.

100%

of our support team on-shore



**People First.
Integrity Always.
Innovation Driven.**

**Passionate
Customer Service**
from FCRA Certified
Experts



75%
of our credit
supplements are
complete same
day

Services that extend far beyond credit reporting:

- Affordable **mortgage credit reports**
- Automated **lead generation & prequalification**
- Automated **verification of income & employment** (VOE)
- **Credit score improvement** tools
- **Fraud & risk mitigation** solutions
- **Cost management** strategies
- **Underwriting & compliance** tools
- **Customizable solutions** for the entire origination process

What's New in Credit Reporting?

Industry Trends, Tools & Compliance in 2025

2025 Credit Landscape

Medical Collection Reporting

What changed & impact on borrower credit files

Student Loan Debt

New reporting dynamics & lender watchpoints

Trigger Lead Trends

Risks + mitigation strategies to protect borrowers

Bi-Merge Update

How 2-bureau reports shift workflows & costs

Score Improvement Tools

Simulators, rescoring & strategic education

CFPB Rollbacks

Recent actions & compliance implications

Medical Debt Reporting

What's Changed & What It Means for Borrowers

Key Changes

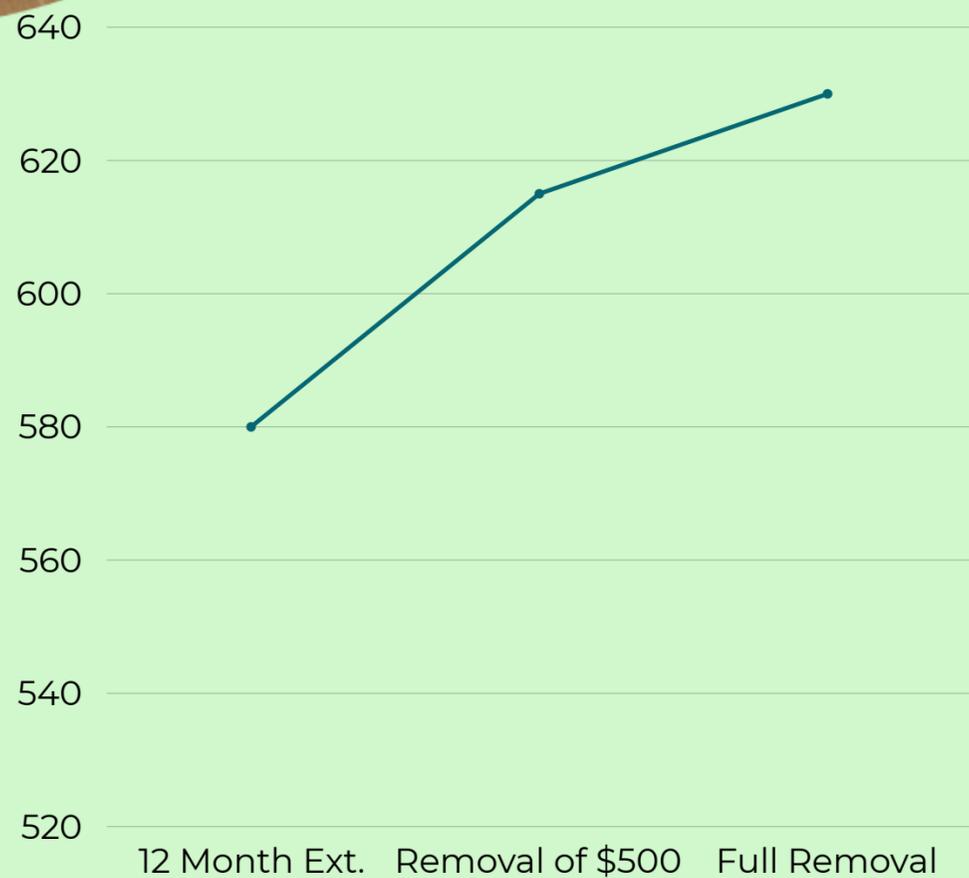
- **July 2022:** Paid medical collections removed from credit reports
 - **Reporting grace period extended** – new medical collections now only show up after 12 months (up from 6 months)
- **April 2023:** Collections under \$500 no longer reported
 - **Boosted credit for ~50% of affected consumers**
- **Be Aware:** In Jan 2025, CFPB finalized rule to ban medical debt in reports & decisions, but implementation has been paused due to legal challenge (waiting on final ruling - June 2025).





Medical Debt Reporting

Projected Impact of CFPB Rule Compared to Previous Changes on Credit Scores



Source: CFPB & ConsumerFinance.gov

Consumers who had medical debt on their reports saw their credit scores jump by about 20–30 points on average once those debts came off.

CFPB expects that eliminating medical collections from credit reports will lead to **about 22,000 additional mortgage approvals per year**

Early 2024 **roughly 15 million Americans still have medical debts on their credit reports**, totaling over **\$49 billion** in remaining balances

Student Loan Repayments Are Back

What You Need to Know



Pause Ends (Late 2023)

3-year federal student loan pause ended
Payments + delinquency reporting resumed

Delinquencies Surging (2024-2025)

Delinquency rate rose from **<1% to nearly 8%**
Over 2.2 million borrowers dropped 100+ credit points
1M+ saw drops of 150+ points
Even prime borrowers now showing subprime scores

Source: Federal Reserve Bank of New York

Credit Report Impacts (Today)

Expect more **30-/60-day lates**
Some borrowers look “clean” due to **Fresh Start**
Older defaults may return if repayment fails (Repayment Programs)

Lender Implications

DTI Accuracy

- Recalculate with resumed payments
- Pre-approval before the restart may be invalid

Credit Review

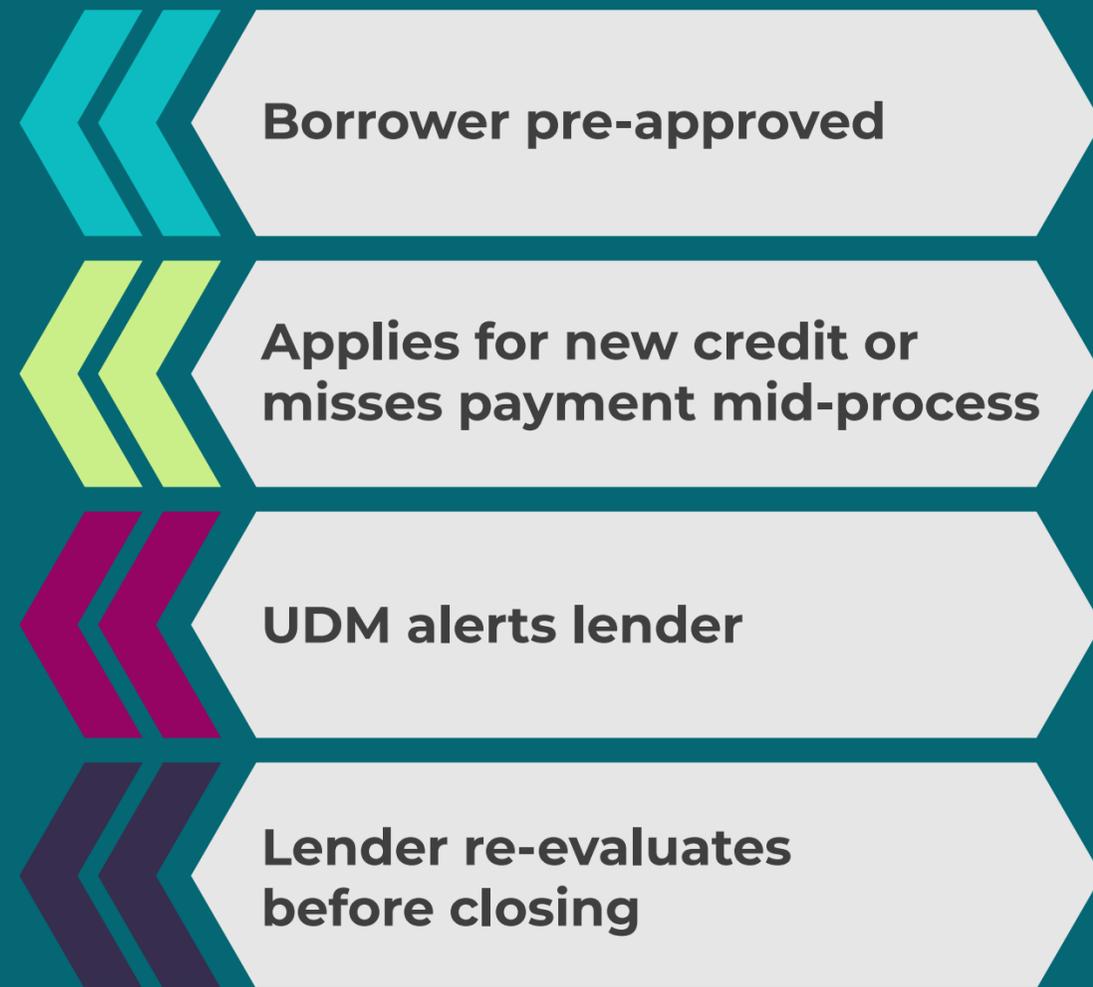
- Watch for new derogatories
- Ask for explanation letters for recent lates

“Fresh Start” Caveats

- Some reports don't show true history
- Monitor for re-default risk in the months ahead

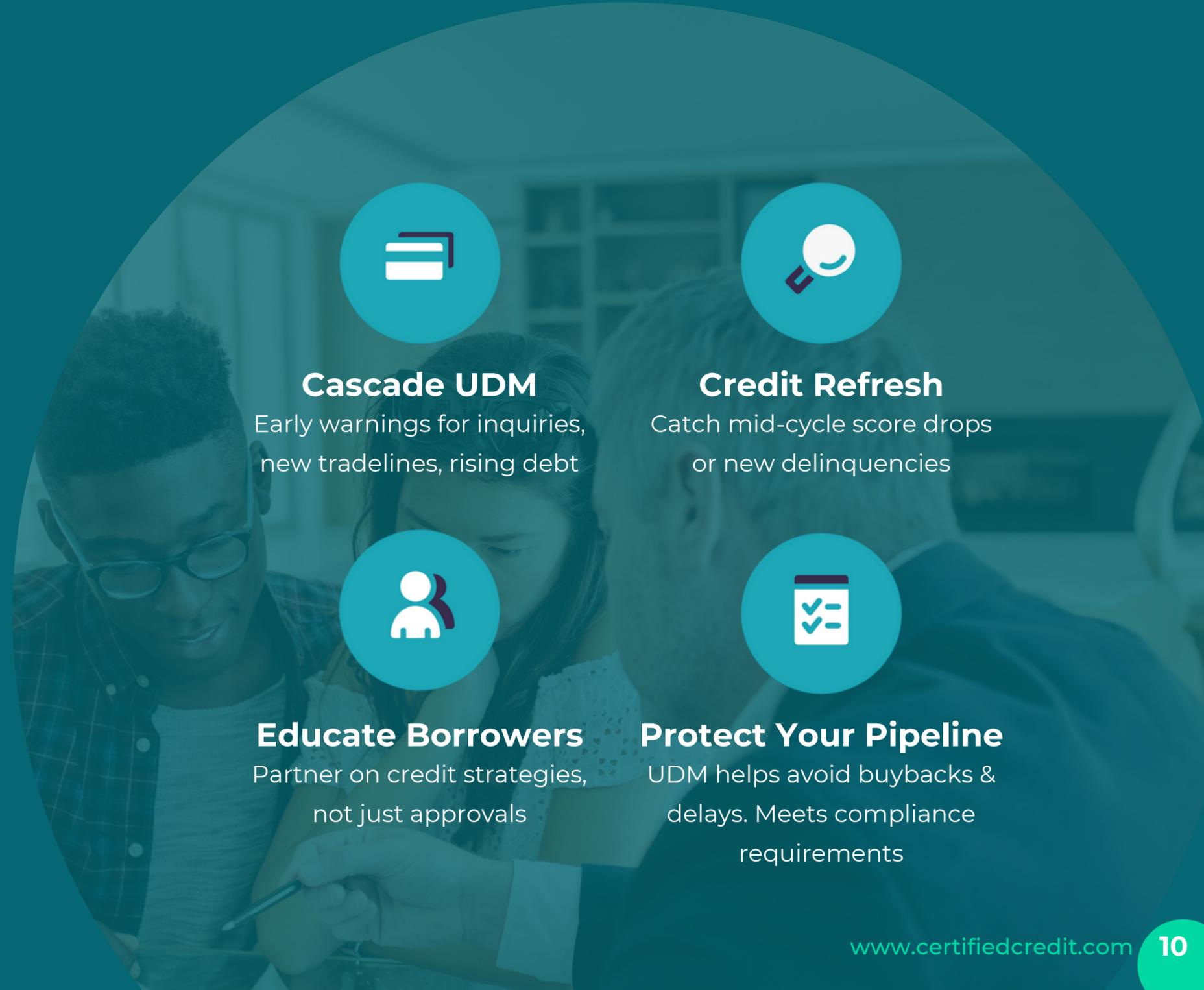
Managing Risk with UDM & Credit Refresh

Undisclosed Debt Monitoring in Action



Why It Matters:

- Detects debt growth **between application & closing**
- **Avoids last-minute surprises**
- Helps **maintain loan quality** & compliance
- Supports **faster decision-making** and borrower transparency



Cascade UDM

Early warnings for inquiries, new tradelines, rising debt



Credit Refresh

Catch mid-cycle score drops or new delinquencies



Educate Borrowers

Partner on credit strategies, not just approvals



Protect Your Pipeline

UDM helps avoid buybacks & delays. Meets compliance requirements

Trigger Leads

What They Are, Why They Matter, & How to Protect Your Pipeline

What Are Trigger Leads?

Borrower's credit is pulled & bureaus sell that info to other lenders – leading to unsolicited calls, texts, and confusion.

Not a Trigger Lead: Past borrower has mortgage inquiry & you reach out to borrower with existing relationship.

Why It Matters

Borrowers get bombarded with calls & many believe you shared their info

Can erode trust

New rules (FCC 2024) are limiting lead generators

Legislation could ban trigger leads without consent

How to Minimize the Impact

Educate borrowers immediately

Share [OptOutPrescreen.com](https://www.optoutprescreen.com)

Use soft pulls when possible

Follow up fast to stay top of mind

Use Cascade Alerts to retain past relationships

“Borrowers trust you to guide them. Trigger leads test that trust — your best defense is proactive communication.”



Recent Trigger Lead Legislation

Homebuyers Privacy Protection Act

A Major Step Forward for Consumer Privacy in Mortgage Lending

Both chambers of Congress have taken significant steps toward ending abusive trigger lead practices through the Homebuyers Privacy Protection Act (H.R. 2808 / S. 1467).

- **House Financial Services Committee passed the bill** unanimously, advancing efforts to restrict the use of consumer credit data for unsolicited mortgage solicitations.
- **Senate followed suit**, passing its version by unanimous consent on June 12, 2025.
- **U.S. House of Representatives** unanimously passed the Homebuyers Privacy Protection Act (H.R. 2808) late in the day on Monday, June 23.

“The Senate passage of this important bill... is an enormous step toward finally putting a stop to trigger lead abuses.”

— Bob Broeksmit, CMB, MBA President & CEO

This bipartisan legislation aims to:

- Protect consumer data at a critical point in the homebuying process
- Curb unwanted, confusing solicitations
- Strengthen transparency and borrower trust

Bi-Merge Credit Report Update

What Is Bi-Merge & Why It's Coming

What's Changing?

- **Current:** Lenders use tri-merge credit reports (data from all 3 bureaus)
- **Coming Soon:** Optional bi-merge credit reports (2 of 3 bureaus, e.g., Equifax + Experian)

What's Changing?

- Driven by FHFA, Fannie Mae & Freddie Mac
- Aligns with new score models: FICO® Score 10T and VantageScore® 4.0
- Goal: Lower costs + increase competition among bureaus

What's Changing?

- Delayed to late 2025 to coincide with score model rollout
- No immediate change required – but prep now
- Certified Credit already supports FICO® 10T and is preparing bi-merge capabilities

Bi-merge reporting isn't just a cost-saving measure; it's a major shift in how we evaluate credit. Now's the time to prepare your teams, systems, and policies.



Bi-Merge Credit Report Update

Bi-Merge vs. Tri-Merge: What Changes and What It Means for Lenders

	Current: Tri-Merge (3 Bureaus)	Coming: Bi-Merge (2 Bureaus)
Credit Bureaus Used	Equifax + Experian + TransUnion	Any 2 of the 3 bureaus (e.g., Equifax + Experian)
Score Selection	Middle score of the three	Likely lower score of the two
Data Coverage	Broader – less chance of missing tradelines	Slightly narrower – risk of missing bureau-specific data
Cost to Pull Credit	Higher (3 bureau fees)	Lower (2 bureau fees)
LOS & Interface Needs	Standard 3-report integration	Requires updates to handle 2-report workflows; start talking to your CRA
Underwriting Policies	Based on 3 scores and middle-score logic	Will need revisions to reflect 2-score evaluation
Training Required	Familiar to staff	Staff must learn bi-merge scoring & scenarios



Bi-Merge Credit Report Update

Bi-Merge = Cost Savings + Risk Awareness

How to Prepare



Coordinate with Credit Provider

- Ask how/when they'll support bi-merge
- Certified Credit is investing in bi-merge-ready technology already - you can see bi-merge data on your reports or in your LOS



Underwriting Guidelines

- Adjust policies: "middle score" → "lower of two"
- Define process for exceptions (e.g., 3rd bureau if thin file)
- Train underwriters on evaluating fewer data points



Revisit LOS & System Workflows

- Enable dual-bureau pulls and score logic
- Ensure staff sees correct data in interface



Train Your Teams

- Make sure LOs/processors understand 2-score files
- No one should be surprised when it launches

Benefits to Lenders

Lower Credit Report Costs

Save on every file by pulling only two bureaus

More Competitive Pricing

Pass savings to borrowers or reduce upfront costs

Streamlined Workflows

Simplify credit evaluation and reduce report complexity

First-Mover Advantage

Be ready when GSEs roll out bi-merge as optional or required

Score Improvement Tips

for Today's Environment

Increased Home Prices

Median U.S. home price rose by approximately 42.5% in last 5 years

Source: Zillow

Record-High Credit Card Debt

Credit Card balances at record \$1.21 trillion as of Q4 2024

Source: Barrons.com

Rising Delinquencies

Student loan delinquencies up 8% in 2025 since pause

Source: Federal Reserve Bank of New York

Stagnant/Lower Credit Scores

2.2 million+ borrowers experienced credit score drops exceeding 100pts

Source: Federal Reserve Bank of New York

Practical Ways to Help Borrower Improve Credit Scores

Pay Down Revolving Balances

- Fastest way to boost a score = Reduce credit card utilization.
- Pay down credit cards to below 30% – or even 10% – of their limits before restoring.

Avoid New Credit Activity

- Instruct borrowers not to open new credit accounts or take on new loans.
- New inquiries and accounts impact scores & add to their debt obligations.
- Caution them against large purchases on credit before closing.

Correct Errors & Timing of Payments

- Have borrowers review their credit reports for any errors.
- Make sure all bills are paid on time (set up auto-pay for months during mortgage processing).

Pay Off & Remove Medical Collection

- If borrower pays off a medical collection, have your credit provider remove it from the report



Partial Credit Bureau Scorecard

Characteristics	Attributes	Points
Number of bank credit cards	0	15
	1	22
	2	[30]
	3	40*
	4 or more	30
Number of inquiries last month	0	75*
	1	55
	2 or more	[40]
Number of months on file	Below 12	12
	12 to 23	[35]
	24 to 47	60
	48 or more	75*
Number of months since most recent derogatory public record	No public record	[75*]
	0 to 5	10
	6 to 11	15
	12 to 23	25
	24 or more	49

* The maximum points possible [] The actual points received

How Mistakes Affect FICO

Damage Points

Credit Mistake	If your score is 680...	If your score is 780...
Maxed – out Card	Down 10 to 30 points	Down 25 to 45 points
30-Day Late Payment	Down 60 to 80 points	Down 90 to 110 points
Debt Settlement	Down 45 to 65 points	Down 140 to 160 points
Foreclosure	Down 85 to 105 points	Down 140 to 160 points
Bankruptcy	Down 130 to 150 points	Down 220 to 240 points

Credit Score Improvement Tools

for Smarter Loan Outcomes

ScoreNavigator

A suite of borrower-facing and lender tools that simulate results and prioritize actions.

- Mortgage Action Plan (M.A.P.) – Actionable roadmap to improve borrower readiness
- Target Score Simulator – Calculates how/when to pull credit to reflect updates
- Money Simulator – Shows how to allocate payments for max score impact
- Manual Simulator – Pinpoints score changes based on borrower actions

FICO® Score Mortgage Simulator (New!)

The only simulator built on FICO® mortgage score algorithms (2, 4, 5).

- Models credit events: paydowns, deletions, updates
- Predicts impact on score before making the move
- Helps borrowers qualify for better terms with FICO-accurate guidance.





CFPB's Recent Rollbacks

What They Could Mean for Compliance

On May 12, 2025, the Consumer Financial Protection Bureau (CFPB) announced the withdrawal of 67 guidance documents, including policy statements, interpretive rules, advisory opinions, and other guidance materials.

Notable Withdrawn Documents

Policy Statements

Statement of Policy Regarding Prohibition on Abusive Acts or Practices, 88 FR 21883 (Apr. 12, 2023); Disclosure of Consumer Complaint Narrative Data, 80 FR 15572 (Mar. 24, 2015); Disclosure of Consumer Complaint Data, 78 FR 21218 (Apr. 10, 2013)

Interpretive Rules

The Fair Credit Reporting Act's Limited Preemption of State Laws, 87 FR 41042 (July 11, 2022); Authority of States to Enforce the Consumer Financial Protection Act of 2010, 87 FR 31940 (May 26, 2022)

Advisory Opinions

Fair Credit Reporting; File Disclosure, 89 FR 4167 (Jan. 23, 2024); Debt Collection Practices (Regulation F); Deceptive and Unfair Collection of Medical Debt, 89 FR 80715 (Oct. 4, 2024); Fair Credit Reporting; Background Screening, 89 FR 4171 (Jan. 23, 2024); Fair Credit Reporting; Permissible Purposes for Furnishing, Using, and Obtaining Consumer Reports, 87 FR 41243 (July 12, 2022); Fair Credit Reporting; Name-Only Matching Procedures, 86 FR 62468 (Nov. 10, 2021)

Other Guidance

Consumer Financial Protection Circular 2024-06; Consumer Financial Protection Circular 2024-04; Consumer Financial Protection Circular 2023-03; Consumer Financial Protection Circular 2022-07; Consumer Financial Protection Circular 2022-05; Consumer Financial Protection Circular 2022-04; Consumer Financial Protection Circular 2022-03; Consumer Financial Protection Circular 2022-01; Bulletin 2022-01; Enforcement Compliance Bulletin 2021-03; Bulletin 2014-01; Bulletin 2013-09; Bulletin 2013-07; Bulletin 2012-09

CFPB's Recent Rollbacks

What They Could Mean for Compliance

Practical Steps to Remain Compliant



Review Compliance Policies

Use this period to catch up or improve your existing compliance management system



Stay Informed

Even rollbacks create compliance tasks; Follow CFPB announcements closely.



State Compliance

Monitoring state-level regulations; if CFPB isn't prioritizing a certain area, states might step in.

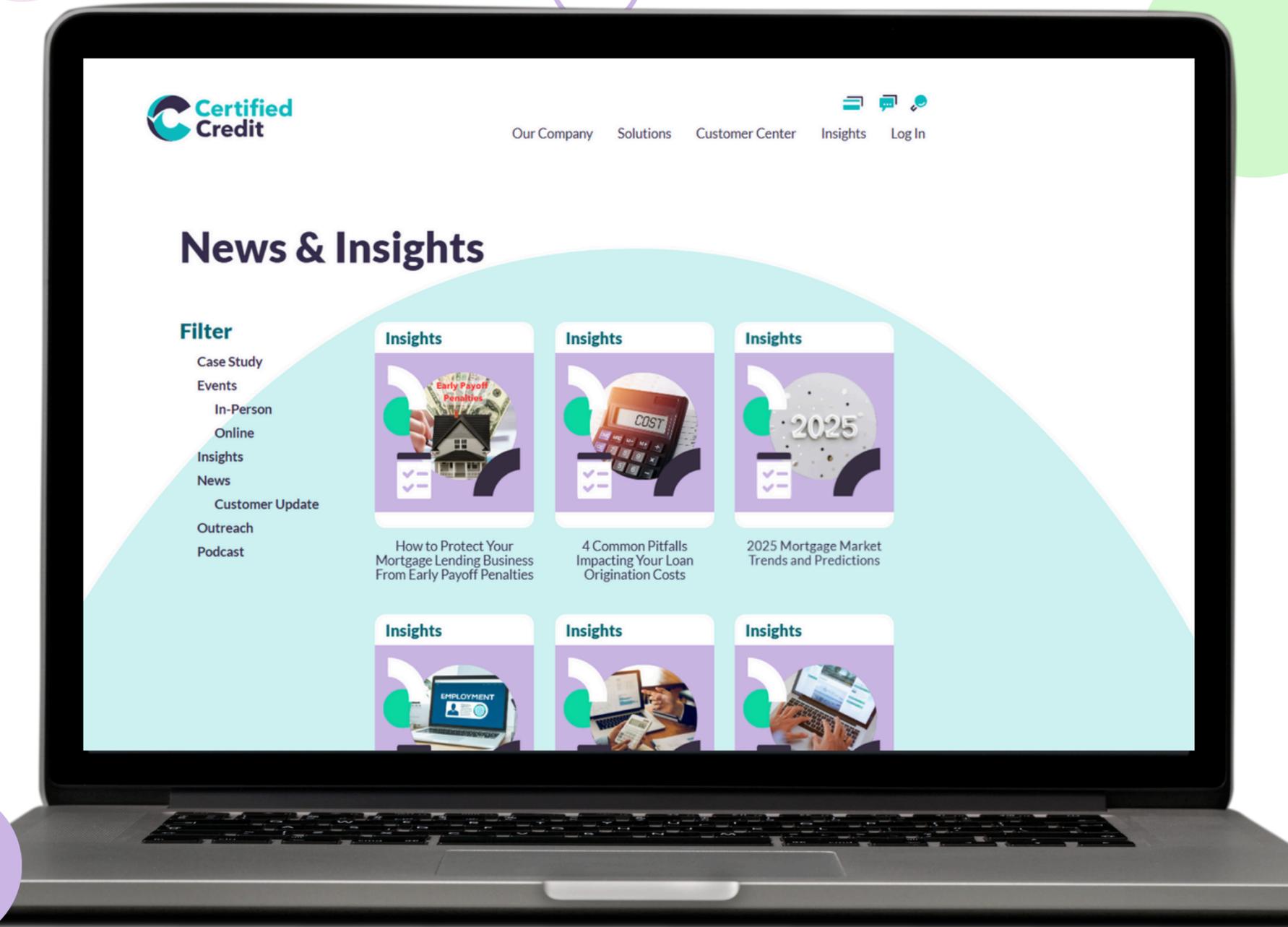


Prepare for the Long Term

Document any compliance changes made due to these rollbacks. If guidance was rescinded and you choose to change a practice, keep a record of why.



Workflow Solutions,
Origination Tips, &
Borrower Resources...
Just a Click Away!



Check out our lender resources at:

CertifiedCredit.com/news-insights

Questions?

Contact Us

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 certifiedcredit.com

