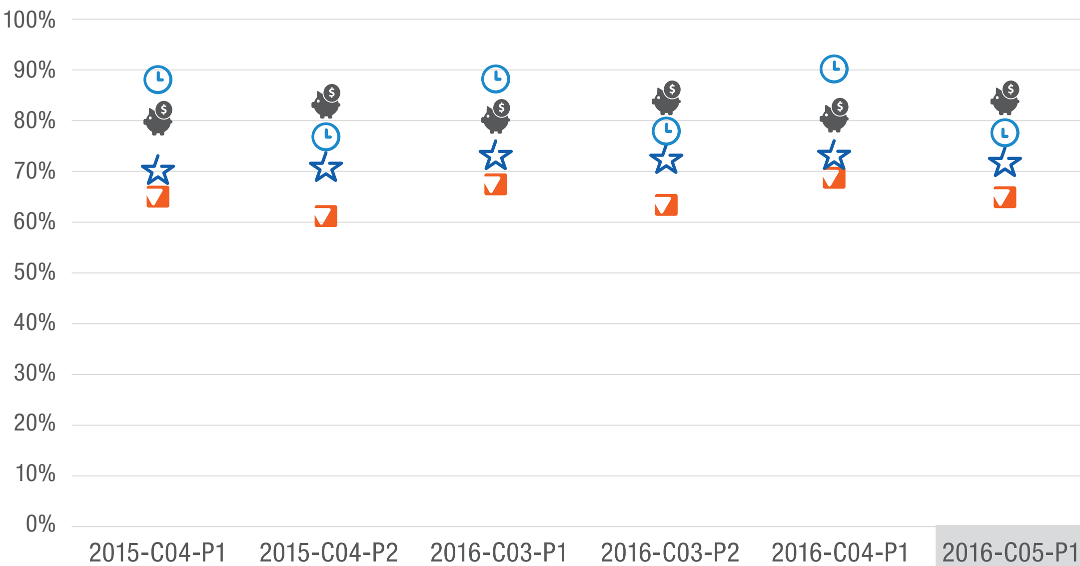
A deeper look at the last million consumers behind Fannie Mae's risk-sharing transactions

This October, Fannie Mae's Connecticut Avenue Securities® (CAS) shelf will celebrate its third anniversary. In this analysis, we examine the pools behind several recent transactions representing more than 700,000 loans and more than 1 million borrowers and co-borrowers. Using the Credit Risk Insights® for CAS unique dataset from Equifax, including 60 variables and trended credit data, we've taken a deeper look at the credit profiles of these consumers.

All six deals consistently tied to prime, well-established borrowers

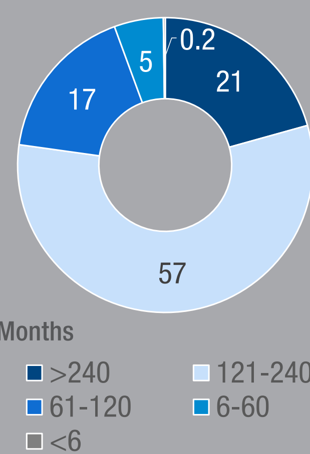
The majority of borrowers are:

- ***Established,*** 10+ years of credit history
- ***Low leverage,*** credit utilization below 50%
- ***Superprime,*** no recorded delinquencies
- ***Low risk,*** VantageScore 3.0 above 720

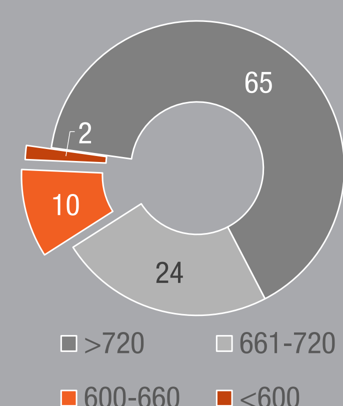


A closer look at 2016-C05

Distribution by length of credit history



Distribution by VantageScore 3.0



Explaining borrowers with lower credit scores: shorter credit histories and higher levels of credit utilization can weigh scores down, but low rates of delinquency, bankruptcy, and foreclosure suggest compensating factors

Credit utilization greater than 50%

<10 yrs of credit history

Current 30+ day delinquency on any tradeline

Ever in bankruptcy or foreclosure

NOTE: Study conducted in August 2016 using at-issuance data.

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