

# VantageScore 4.0 in the Mortgage Market

THE MOST PREDICTIVE, CONSISTENT AND INCLUSIVE  
GENERIC CREDIT SCORING MODEL AVAILABLE



## HIGHLY PREDICTIVE



Leverages trended credit data and shows improved predictive performance



Significantly improves predictive power for new account originations

*WHY THIS MATTERS: Prospective home buyers will be better matched with the right types of mortgage products and the most appropriate pricing.*

## MORE INCLUSIVE



Leverages machine learning techniques for consumers with limited credit histories and drives performance (i.e. predictive lift) among those who have not had an update to their credit file in the last six months (dormant)



Scores approximately 30 million more consumers than conventional models; 8 million of which have highly predictive scores above 620

*WHY THIS MATTERS: Models currently required by the GSEs exclude millions of consumers (including 2.6 million minority borrowers).*



VantageScore

## More Consistent

- ✔ Model attributes leveled across all three national credit reporting companies (CRCs)
- ⚖ The score used in a tri-merge will be more predictive when the other scores pulled are more aligned.

*WHY THIS MATTERS: The credit score ultimately used in a tri-merge credit report will be more predictive when there is alignment with the other credit scores pulled.*

## Addresses Suppressed Data

- 📅 Built on a more recent timeframe (2014-16)
- 🗑 Excludes some consumer data (tax liens and public records) which fail to meet enhanced data quality standards

*WHY THIS MATTERS: Data that has been removed has no impact, and VantageScore 4.0 remains optimally predictive without these tradelines.*



## FAST FACTS

- Relies on easy-to-implement score range of 300-850
- Returns reason codes in “plain English” making them easier for consumers to understand
- Reason codes within “ReasonCode.org” provide free additional information about each code and helpful consumer tips (available in Spanish)
- Ignores medical debt less than 180 days old and paid collections
- For victims of natural disasters, excludes trade-level delinquency behavior temporarily while retaining positive payment data



[vantagescore.com/why-choose-4](https://vantagescore.com/why-choose-4)