MANY CONSUMERS WITHOUT CREDIT SCORES ARE

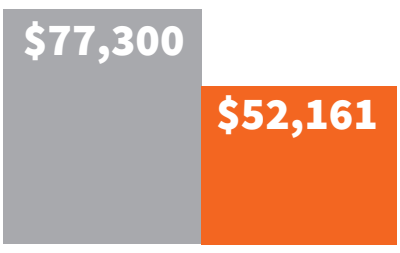
Creditworthy and Highly Qualified for Mortgages

In 2015, 30 to 35 million people in the United States could not obtain a conventional credit score, despite having a credit file at one or more of the national credit bureaus. These individuals were restricted from accessing credit through mainstream channels and were often left with no option but to seek out pricey alternatives.

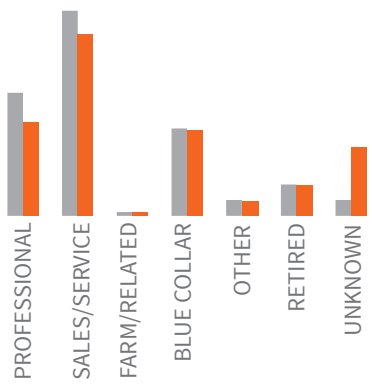
A study by VantageScore Solutions compared a subset of Americans rendered unscoreable by conventional credit scoring models ("expanded population") with a subset scoreable consumers with regular access to mainstream credit ("conventional population"), with similar financial fundamentals and creditworthiness. Among other findings, the study revealed that among this subset, conventionally scoreable consumers have significantly greater access to credit than expanded population consumers.

General characteristics of Conventional and Expanded populations **are very similar.**

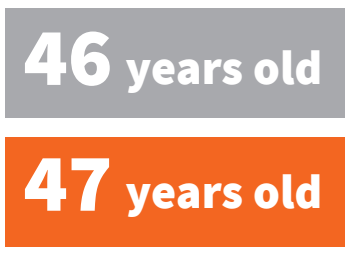
INCOME



OCCUPATION



AVERAGE AGE



Conventional Expanded

Conventional and Expanded populations have a **similar capacity for handling major debt.**

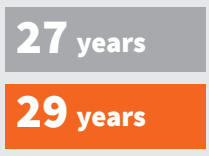
In instances where Expanded population consumers have obtained mortgages, the average loan amount was only twelve percent lower than the average loan amount among the Conventional population. Average term length for these loans is on par with conventional term lengths.

CONVENTIONAL MORTGAGE LOAN AMOUNTS

ONLY A **12%** DIFFERENCE

EXPANDED MORTGAGE LOAN AMOUNTS

Mortgage Term



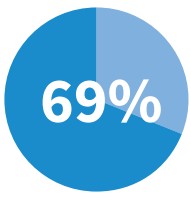
Years of Residence

There are often **significant differences in the loan amounts** obtained by Conventional and Expanded populations.

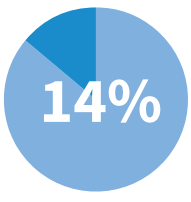
When a credit score is the primary information used to assess risk, consumers who are unable to obtain a conventional credit score are generally evaluated as high risk candidates, despite the possibility that they are simply conservative users of credit who otherwise have strong financial foundations.

FOR EXPANDED POPULATION CONSUMERS WITH SCORES 620 AND ABOVE

Installment loan amounts are 69% the size of those made to conventional consumers



Bankcard credit limits are 14% the size of those made to conventional consumers

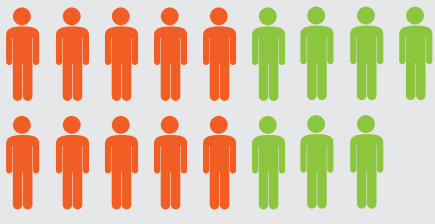


The inclusion of multiple brands of credit scoring models could put **2.5 MILLION more consumers into homes of their own.**

In an overlay of median home values from the most recent census, based on a 20% down payment, an interest rate of 4.2% and debt to income thresholds of 32% and 43%, 2.5 million of the eligible 3.4 million consumers have sufficient income to support a mortgage in their geographic area.

Of the eligible

3.4 MILLION CONSUMERS



2.5 MILLION CONSUMERS

have sufficient income to support a mortgage in their geographic area.

VantageScore

www.vantagescore.com