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## Equifax Empowers Mortgage Lenders to Identify Undisclosed Debt During Underwriting Process

ATLANTA, May 24 /PRNewswire-FirstCall/ -- Equifax Inc. (NYSE: EFX) announced today the launch of a breakthrough mortgage solution to help lenders comply with Fannie Mae's updated policy regarding borrower liabilities. Undisclosed Debt Monitoring(TM) is the mortgage industry's first platform to monitor for and notify financial institutions of new accounts and borrower activity initiated during the "quiet period" – a historical blind spot for lenders. With this latest Equifax solution, lenders can address Fannie Mae's guidelines while gaining increased transparency into the underwriting process to uncover undisclosed debt and minimize buyback risk.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20060224/CLF037LOGO> )

As part of the Fannie Mae Loan Quality Initiative, mortgage lenders will have to meet additional guidelines to ensure that the borrower has the propensity and capacity to repay a debt. For loan applications dated on or after June 1, 2010, Fannie Mae will require lenders to verify at pre-funding that borrowers have not incurred new debts or liabilities that may affect their ability to fulfill a mortgage payment obligation. If additional credit was obtained up to the funding date, a borrower must be re-qualified with the monthly payment included in the debt-to-income calculation. Any debts or liabilities incurred during this period, which are not reflected on the credit report or disclosed in the final loan application, may subject the lender to the risk of loan repurchase.

"The new Undisclosed Debt Monitoring tool will be very helpful in ensuring that we are continuing to write the best possible performing loans while also fully complying with Fannie Mae's Loan Quality Initiative Program," said Michael Lyon, Vice President of Operations for Quicken Loans, the nation's largest online retail lender. "This tool will provide us much needed visibility into any changes affecting a client's debt profile throughout the lending process. It also will allow us to ensure we can help our clients make wise decisions on their finances should they make changes after the initial underwriting."

A solution that is "always on," Undisclosed Debt Monitoring continuously monitors for new debts or liabilities incurred by the borrower during the quiet period, which spans from the mortgage application date to the loan closing date. Through the monitoring process, Undisclosed Debt Monitoring alerts lenders of borrower activity that may represent potential risk associated with mortgage loans in their pipelines. By providing rapid notification of borrower activity during a critical time window, lenders can leverage the right underwriting resources to mitigate potential borrower misrepresentation or fraud while focusing on approving quality loans in a high volume environment.

The need for this solution is underscored by the impact of this multi-billion dollar problem on the mortgage market. According to Equifax analysis, up to \$142 million in auto loan

payments were potentially overlooked during the mortgage underwriting process last year. Another trend, borrower misrepresentation of income, employment, occupancy or assets when applying for a new mortgage loan, led to an increased prevalence of broken loans and significant losses in 2009. Recognizing these industry pressures, Equifax partnered with several customers and dedicated significant time and resources to develop this best-in-class industry solution.

"In light of Fannie Mae's requirements and faced with the growing challenge of undisclosed debt, financial institutions are looking for new and innovative tools to intelligently mitigate their underwriting risk," said Dann Adams, president, Equifax Consumer Information Solutions. "Committed to supporting the evolving needs of today's mortgage market, Equifax introduced the Undisclosed Debt Monitoring platform to equip lenders with a powerful solution to tackle this most important issue in mortgage underwriting. Without greater transparency into loan transaction details, many lenders risk being left in the dark."

Financial institutions that leverage this Equifax solution benefit from enhanced quality control on a number of levels. In addition to delivering daily alerts, the platform is built to provide benchmarking and analytics on various borrower activity tracked during the monitoring process. Another advantage, the solution helps lenders better prioritize manual underwriting reviews by enabling them to focus their resources on applicants and transactions that pose the highest level of repurchase risk. At the conclusion of the monitoring period, the lender receives a summary file with additional information that can be leveraged to mitigate the risk of a future loan buyback.

To learn more about Undisclosed Debt Monitoring, visit <http://www.equifax.com/mortgage/UDM> or call 1-866-793-6545.

#### **About Equifax** ([www.equifax.com](http://www.equifax.com))

Equifax empowers businesses and consumers with information they can trust. A global leader in information solutions, we leverage one of the largest sources of consumer and commercial data, along with advanced analytics and proprietary technology, to create customized insights that enrich both the performance of businesses and the lives of consumers.

With a strong heritage of innovation and leadership, Equifax continuously delivers innovative solutions with the highest integrity and reliability. Businesses – large and small – rely on us for consumer and business credit intelligence, portfolio management, fraud detection, decisioning technology, marketing tools, and much more. We empower individual consumers to manage their personal information, protect their identity, and maximize their financial well-being.

Headquartered in Atlanta, Georgia, Equifax Inc. operates in the U.S. and 14 other countries throughout North America, Latin America and Europe. Equifax is a member of Standard & Poor's (S&P) 500® Index. Our common stock is traded on the New York Stock Exchange under the symbol EFX.

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