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Equifax Supports Financially Inclusive Lending With Availability of Expanded U.S. Mortgage Credit Reports

Telecommunications, Pay TV and Utilities Insights Now Available Alongside Mortgage Credit Reports to Help Create Greater Home Ownership Opportunities For Millions of U.S. Consumers

ATLANTA, Feb. 28, 2023 /PRNewswire/ -- [Equifax®](#) (NYSE: EFX) is supporting financially inclusive lending with the availability of expanded U.S. mortgage credit reports. The company is the first National Credit Reporting Agency (NCRA) to make certain telecommunications (telco), pay TV and utilities attributes available to the mortgage industry to provide a fuller picture of consumers' financial profiles - potentially enabling more than 191 million American consumers, 80 percent of whom have traditional credit files but may benefit from additional insights into their financial profile, to have greater opportunities for homeownership.



Anonymized Equifax research into the potential benefits of telco, pay TV and utilities attributes found that among 255 million U.S. consumers, 30 percent could potentially increase their traditional credit score if the attributes are included - helping to increase access to credit. Millions of subprime consumers could also see an average increase of approximately 30 points from use of the additional data, moving them into the near-prime score band and potentially enabling them to receive more favorable offers or rates.

"Our company purpose is to help people live their financial best," said Mark W. Begor, CEO of Equifax. "Equifax understands that a single financial opportunity can be a critical step to establishing individual financial health and generational wealth, changing the trajectory of families and communities for generations. More data drives better decisions, and we have invested billions into cloud-based technology solutions and powerful differentiated data sources that give new visibility to underserved individuals, empowering our customers to bring greater access to financial opportunity to more people."

The majority of U.S. adults have at least one utility bill or cell phone in their name, making utility data a widespread and powerful indicator of past financial reliability. A [recent study](#) by Andrew Davidson & Co., the leading provider of risk analytics and consulting for residential loans, Agency Mortgage-Backed Securities ("MBS"), and credit-sensitive securitizations, analyzed U.S. mortgages from January 2019 for consumers with non-traditional credit histories (young, thin, or no-hit), and found a strong correlation between

positive consumer utility payment history and future positive mortgage payment performance. The firm's research also confirmed this correlation across a wide range of credit scores for these borrowers, most notably among borrowers from the high-end of subprime (credit scores of 580-619) through lower prime (credit scores of 660-719) score bands who may have been more likely to face challenges in obtaining a mortgage or who may have been offered higher rates based on their credit files alone.

"Our research has confirmed strong analytical support for the use of utility attributes in assessing potential mortgage risk," said Andrew Davidson, President of [Andrew Davidson & Co.](#) "We identified encouraging performance data in our research that shows a strong correlation between past favorable utility payment history and future mortgage performance. It's even more pronounced when multiple utility attributes are considered. Such impacts have the potential to increase access to mortgages for underserved groups. Utility attributes also have the potential to streamline the underwriting process and help more consumers secure loans by contributing to a more complete financial profile."

For mortgage lenders, the ability to consider telco, pay TV and utilities insights in addition to the traditional credit report supports financially inclusive lending, helping to expand the availability of credit to more borrowers. These additional insights are delivered alongside Equifax mortgage credit reports at no additional cost to lenders, helping them simplify the manual underwriting process, improve the customer experience and reduce lender costs while enhancing the borrower experience.

"The findings of Andrew Davidson & Co.'s research underscores the value of these insights to help create a better pathway for many Americans to establish homeownership," said Craig Crabtree, Senior Vice President and General Manager, Equifax Mortgage & Housing Services. "With these highly structured telco, pay TV and utilities attributes now being available to Equifax customers alongside traditional mortgage credit reports, we look forward to partnering with the mortgage industry so that, together, we can realize the full potential in helping millions of Americans achieve their goal of home ownership."

The addition of telco, pay TV and utilities insights alongside Equifax traditional mortgage credit reports is one of many ways that Equifax is promoting [greater access to credit](#) and financially inclusive lending practices. These Fair Credit Reporting Act (FCRA)-compliant insights provide anonymized information to streamline the mortgage application process as consumers seek approval for a home loan. This expanded data cannot be used by mortgage lenders to deny applications for credit or other services.

Expanded U.S. mortgage credit reports are available now to the mortgage industry. For more information on Equifax Mortgage and Housing Solutions, visit [equifax.com](#). To download the free white paper from Andrew Davidson & Co., "*A Look at Utility Payments and Their Positive Impact on Future Mortgage Performance*," [click here](#).

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At Equifax (NYSE: EFX), we believe knowledge drives progress. As a global data, analytics, and technology company, we play an essential role in the global economy by helping financial institutions, companies, employers, and government agencies make critical decisions with greater confidence. Our unique blend of differentiated data, analytics, and cloud technology drives insights to power decisions to move people forward. Headquartered in Atlanta and supported by more than 14,000 employees worldwide, Equifax operates or

has investments in 24 countries in North America, Central and South America, Europe, and the Asia Pacific region. For more information, visit [Equifax.com](https://www.equifax.com).

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