

NEW CREDIT SCORE'S IMPACT ON MORTGAGE BUSINESS PROMPTS MANY BROKER QUESTIONS

**Advantage Credit to Host Teleseminar to Discuss VantageScoreSM
with its 18,000 Broker Customers**

PENSACOLA, FLA, March 23, 2006—Advantage Credit, a top-10 mortgage credit reporting reseller, addressed its 18,000 mortgage broker customers this week regarding the announcement of VantageScoreSM, a new credit scoring model introduced unexpectedly last week by the three credit bureaus.

“Our broker clients are concerned about the announcement and what it implies for their customers. They need information,” said Advantage Credit president Ron Litt, formerly SVP of Allied Home Mortgage Capital Corporation, the country’s largest brokerage. Advantage’s main message to its customers is that despite the new score’s potential and unknown effects upon mortgage eligibility, existing score models will continue to be available as required by wholesalers, lenders and Government Sponsored Enterprises (GSE).

Litt also discussed the new score’s level of acceptance by the industry. “Advantage Credit and other resellers can offer the new scoring model almost immediately, but the existing FICO® scores are so embedded that an effective change could take years,” he said. He noted that while the new scoring system has potential for improving the consistency of score ranges from top to bottom, most lenders, GSEs, HUD and FHA would have to retool existing technology along, with retraining staff and other significant investments to accommodate the change. This is a tall order when market rates are the highest in four years and loan volume is declining. Without these groups’ participation, adoption could slow or stall.

Litt postulated that VantageScoreSM could gain acceptance sooner in the consumer’s world because the scores are more structured, being divided into standard ranges from 501-990. The associated report card grade system proposed by the bureaus (A-F) makes it easier to identify score ranges as good or poor, but Litt predicted that it would not catch on. “Even if a person knows

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they have low scores, they don't want to be made to feel they 'flunked' credit and got an 'F'. We should be looking for ways to make consumers be more at ease through the mortgage process," Litt commented.

Further, Litt explained that score differences between bureaus—one of the key areas the bureaus seek to remedy with VantageScoreSM — result more from data disparities than the scoring model used, as all three bureaus use slightly customized FICO® algorithms. "No matter what model is used, you'll get three different scores until files are identical, which won't happen the way the business works today," stated Litt. Information between bureaus is different because some creditors don't report to all three bureaus; because creditors can report wrong information, or because any bureau can have inaccurate data in the file.

Advantage has services to help brokers locate and correct file errors that lower scores. The tools can advise actions for improvements and show the results of changes in advance. The company can also update the file and score at the bureau level in three to ten business days. Similar tools at Advantage offer suggestions for general score boosting behavior. "We might see a score jump if card balances are brought under 50 percent," reported Advantage executive vice president Marie Adams.

Litt offered other opinions on the new score to customers. One benefit, for example, is the help it could give to those with credit problems older than two years, as VantageScoreSM bases results on the most recent 24 months of credit history. Existing scores use a longer history, although tipping the calculation towards recent years.

Because of the importance of the VantageScoreSM announcement, Advantage Credit will hold a free teleconference on April 4 at 1 p.m. Eastern Time on the score and its effect on mortgage brokers, with industry experts weighing in. For more information on the teleconference or Advantage Credit products and services, contact the company at 850-439-2471, or visit AdvantageCredit.com.

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About Advantage Credit



Advantage Credit International is the fifth largest credit reporting agency in the industry and is at the forefront of the fight against mortgage fraud. The company not only provides the easiest-to-read credit reports in the industry but also offers products and resources that save time, lower costs, close more loans and prevent fraud, doing more to aid loan officers. Advantage Credit serves more than 8,000 mortgage brokers and other customers nationwide through its customer-centric order and delivery site, Advantage Online and is a five-time *Inc. 500* "Hall of Fame" winner. Advantage Credit, founded in 1991, is a wholly owned subsidiary of The Adaugeo Group. For more information, contact Amber Jackson at 800.600.2510 x2471, or via e-mail ajackson@advantagecredit.com or visit advantagecredit.com.