

## **TELECONFERENCE ON VANTAGESCORE<sup>SM</sup> DRAWS NUTS & BOLTS QUESTIONS FROM 450 BROKERS AND LENDERS**

### **Answers Sought About New Score Rollout, Consumer Benefits, Adoption Costs**

**April 10, 2006, Pensacola, FLA**---A teleconference held by Advantage Credit on VantageScore<sup>SM</sup>, introduced recently by Experian, TransUnion and Equifax, demonstrated that mortgage brokers and lenders must better understand its features and benefits to take on the costs and efforts of using it.

Speaking to over 450 mortgage professionals across the country, Advantage president Ron Litt—formerly SVP and CTO of Allied Home Mortgage Capital Corp.—and four expert panelists fielded audience questions about the new score’s availability, how widespread its use will be and when, how it works, what the differences are between VantageScore<sup>SM</sup> and scores based on FICO® algorithms, and whether it will help or hurt consumers. The panelists were Chuck Robida, Director of Analytics for Experian; Steve Robles, Product Marketing Manager for Experian; Bill McKay, Sr. VP, New Century Mortgage; and Rob Carter, Sr. VP, Amstar Mortgage.

“The big concern among our customers is whether they will have to adapt to the new score very quickly, without preparation or alternative,” said Advantage Credit’s Litt. Teleconference participants cited technology change costs and retraining time as roadblocks to adoption, and panelist Bill McKay predicted that acceptance by the secondary market would be the primary determinant of whether lenders and brokers use the product. Experian’s Robida explained that the score’s adoption will be gradual, and that VantageScore<sup>SM</sup> is being offered as an alternative to existing scores, not a replacement.

“Will the new score make it more difficult for consumers to qualify?” asked participant J. Cowley of neXgen Corporation, a question echoed by many whose livelihoods indirectly depend on their borrowers’ credit scores. Many were similarly unclear about where customers will land in the 501-990 range of VantageScore<sup>SM</sup> compared to current results.

Robida, part of the team that developed the new score, noted that more information will be developed for brokers and consumers to better understand the new score. And Steve Robles,

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also of Experian, cited some of the advanced features of VantageScore<sup>SM</sup> not yet widely known. For example, VantageScore<sup>SM</sup> delivers the borrower's "scorecard" data, one of 12 borrower groupings that impact scores. Scorecard groups include prior bankruptcies, high and low risk groups and others. FICO models use scorecards but don't reveal them, frequently creating confusion with brokers and consumers when scores appear inconsistent.

Also, VantageScore<sup>SM</sup> will deliver four "scoring factors" for upwards of 95% of files, according to Robida. Even in high score cases, four codes will usually be given along with explanations that help consumers understand and improve scores. In current models, scoring factors are delivered, but many files draw fewer than four and no improvement instructions are given. The Experian representatives noted that the new score ranges mimic traditional letter grade (A-F) ranges, but letter grades will not be delivered with the score.

Importantly, the Experian representatives affirmed that VantageScore<sup>SM</sup> provides more consistent results between bureaus because of the shared scoring model. VantageScore<sup>SM</sup> results can still be different at each bureau, as what's on file at each bureau can change based on region or creditor. VantageScore<sup>SM</sup> reduces or eliminates inquiries as a credit scoring factor, however, leveling this commonly regional activity, which Robida anticipates will further reduce differences.

### **Free Teleconference Audio Recording**

VantageScore<sup>SM</sup> will become available at Advantage Credit within 90 days. A free audio recording of Advantage Credit's teleconference is posted on [AdvantageCredit.com](http://AdvantageCredit.com). Also, many detailed participant questions answered by panelists during and after the event will be posted online, and Advantage Credit will provide customers with lists of lenders accepting VantageScore<sup>SM</sup> as part of its Broker's Best Friend<sup>TM</sup> lender referral service. For more information, visit [AdvantageCredit.com](http://AdvantageCredit.com), or call 800-600-2510.

### **About Advantage Credit**

Advantage Credit International is the fifth largest credit reporting agency in the industry and is at

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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](mailto:ajackson@advantagecredit.com) or visit [advantagecredit.com](http://advantagecredit.com).

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