



COMPARABLE CREDIT ELIGIBILITY CRITERIA

After meeting the base eligibility criteria shown in the PMI Program Guideline Summary, credit characteristics may be used to determine credit eligibility only if one of the following conditions apply:

- The credit score is unusable due to lack of sufficient credit (i.e., thin file)
- The credit score is unusable due to inaccurate information

Once the customer has demonstrated that the credit score cannot be used due to lack of sufficient credit or inaccurate information; the comparable credit score will be determined using the Credit Eligibility Criteria that is consistent with the borrower(s) credit history.

The following summary is intended to provide guidance for determining program eligibility based on a borrower's credit history. Because the borrower's paying habits for different types of credit may vary, when applying these guidelines we will consider the severity of credit as the primary determining factor. Once the number of trade references is established, using the criteria below, PMI will consider the severity of adverse credit in the following order: foreclosure, bankruptcy, housing obligations, public records, installment credit, revolving credit, and credit inquiries.

	Credit Comparable to a FICO Score of less than 600	Credit Comparable to a 600 FICO Score	Credit Comparable to a 620 FICO Score	Credit Comparable to a 660 FICO Score	Credit Comparable to a 700 FICO Score	Credit Comparable to a 720 FICO Score
Verification of Credit History	<ul style="list-style-type: none"> ▪ Must have established traditional or nontraditional credit ▪ Credit must be reported through a credit bureau or direct verification from an established and recognized firm ▪ If mortgage or rental history is not shown on the credit report, direct verification for a minimum of 2 years is required 	<ul style="list-style-type: none"> ▪ Must have established traditional or nontraditional credit ▪ Credit must be reported through a credit bureau or direct verification from an established and recognized firm ▪ If mortgage or rental history is not shown on the credit report, direct verification for a minimum of 2 years is required 	<ul style="list-style-type: none"> ▪ Must have established traditional or nontraditional credit ▪ Credit must be reported through a credit bureau or direct verification from an established and recognized firm ▪ If mortgage or rental history is not shown on the credit report, direct verification for a minimum of 2 years is required 	<ul style="list-style-type: none"> ▪ Must have established traditional credit ▪ Credit must be reported through a credit bureau ▪ If mortgage or rental history is not shown on the credit report, direct verification for a minimum of 2 years is required 	<ul style="list-style-type: none"> ▪ A Residential Mortgage Credit Report (RMCR) or tri-merged is required ▪ All open credit must be reported on the Loan Application (no undisclosed debt) ▪ If mortgage or rental history is not shown on the RMCR or tri-merged, direct verification for a minimum of 2 years is required 	<ul style="list-style-type: none"> ▪ A Residential Mortgage Credit Report (RMCR) or tri-merged is required ▪ All open credit must be reported on the Loan Application (no undisclosed debt) ▪ If mortgage or rental history is not shown on the RMCR or tri-merged, direct verification for a minimum of 2 years is required
Number of Trade References	<ul style="list-style-type: none"> ▪ Minimum of 3 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 12 month payment history on each trades 	<ul style="list-style-type: none"> ▪ Minimum of 4 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 24 month payment history on at least 2 trades 	<ul style="list-style-type: none"> ▪ Minimum of 4 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 24 month payment history on each trade 	<ul style="list-style-type: none"> ▪ Minimum of 4 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 24 month payment history on each trade 	<ul style="list-style-type: none"> ▪ Minimum of 4 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 24 month payment history on each trade ▪ Each borrower can have no more than 9 open accounts (including accounts closed within the past 6 months) 	<ul style="list-style-type: none"> ▪ Minimum of 4 trades for each borrower (joint accounts may be counted for each borrower) ▪ Minimum 24 month payment history on each trade ▪ Each borrower can have no more than 9 open accounts (including accounts closed within the past 6 months)



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Revolving or Open Accounts	<ul style="list-style-type: none"> Maximum 3x30 days past due within the past 24 months Isolated incidents of delinquent payments more than 24 months prior to the loan application 	<ul style="list-style-type: none"> Maximum 2x30 days past due within the past 12 months Maximum 3x30 or 1x60 days past due within the past 24 months 	<ul style="list-style-type: none"> Maximum 1x30 days past due within the past 12 months Maximum 3x30 or 1x60 days past due within the past 24 months 	<ul style="list-style-type: none"> Maximum 1x30 days past due within the past 12 months Maximum 2x30 and 0x60 days past due within the past 24 months Outstanding balance on any account should not exceed 50% of the maximum credit limit for that account 	<ul style="list-style-type: none"> Maximum 1x30 days past due within the past 24 months 0x60 ever reported Outstanding balance on any account should not exceed 50% of the maximum credit limit for that account 	<ul style="list-style-type: none"> Maximum 1x30 on an installment, revolving and open accounts (one in total, not one for each type of trade) in the past 24 months 0x60 ever reported Outstanding balance on any account should not exceed 50% of the maximum credit limit for that account
Installment Accounts	<ul style="list-style-type: none"> Maximum 3x30 or 1x60 within the past 24 months Only isolated incidents of delinquent payments more than 24 months prior to the loan application 	<ul style="list-style-type: none"> Maximum 2x30 and 0x60 days past due in within the past 24 months 	<ul style="list-style-type: none"> Maximum 1x30 and 0x60 days past due within the past 24 months 	<ul style="list-style-type: none"> Maximum 1x30 and 0x60 days past due within the past 24 months 	<ul style="list-style-type: none"> Maximum 1x30 on an installment, revolving and open accounts (one in total, not one for each type of trade) in the past 24 months 0x60 ever reported 	<ul style="list-style-type: none"> Maximum 1x30 on an installment, revolving and open accounts (one in total, not one for each type of trade) in the past 24 months 0x60 ever reported
Housing Obligations	<ul style="list-style-type: none"> Maximum 2x30 and 0x60 days past due on mortgage, rental, or other housing-related obligation within the past 12 months Maximum 3x30 or 1x60 days past due within the past 24 months Mortgage or rent must be current at the loan application date 	<ul style="list-style-type: none"> Maximum 1x30 days past due on mortgage, rental, or other housing-related obligation within the past 12 months Maximum 3x30 and 0x60 days past due within the past 24 months Mortgage or rent must be current at the loan application date 	<ul style="list-style-type: none"> Maximum 1x30 days past due on mortgage, rental, or other housing-related obligation within the past 12 months Maximum 2x30 and 0x60 days past due within the past 24 months Mortgage or rent must be current at the loan application date 	<ul style="list-style-type: none"> Maximum 0x30 days past due on mortgage, rental, or other housing-related obligation within the past 12 months Maximum 2x30 and 0x60 days past due within the past 24 months Mortgage or rent must be current at the loan application date 	<ul style="list-style-type: none"> Maximum 1x30 on mortgage, rental, or other housing-related obligation with the past 24 months No payments 60 or more days past due ever reported 	<ul style="list-style-type: none"> No late payments ever reported (0x30) on mortgage, rental, or other housing-related obligation
Collections, Judgments, Liens and Charge-offs	<ul style="list-style-type: none"> All income, personal property, or real property tax liens must be paid in full at loan closing All other Major Derogatory Credit¹ must be paid in full or paid current on a payment plan at loan closing Minor judgments or collections, totaling less than \$350 in aggregate, and that do not impact property title, may remain open/unpaid 	<ul style="list-style-type: none"> All income, personal property, or real property tax liens must be paid in full at loan closing All other Major Derogatory Credit² must be satisfied at least 2 years prior to the loan application date Minor judgments or collections, totaling less than \$350 in aggregate, and satisfied more than 24 months prior to the loan application 	<ul style="list-style-type: none"> All income, personal property, or real property tax liens must be paid in full at loan closing All other Major Derogatory Credit² must be satisfied at least 2 years prior to the loan application date Minor judgments or collections, totaling less than \$350 in aggregate, and satisfied more than 24 months prior to the loan application 	<ul style="list-style-type: none"> All other Major Derogatory Credit² must be satisfied at least 2 years prior to the loan application date Minor judgments or collections, totaling less than \$350 in aggregate, and satisfied more than 24 months prior to the loan application may be accepted 	<ul style="list-style-type: none"> All other Major Derogatory Credit² must be satisfied at least 4 years prior to the loan application date Minor judgments or collections must have been paid in full at least 4 years prior to the loan application date 	<ul style="list-style-type: none"> No Major Derogatory Credit ever reported Minor judgments or collections must have been paid in full at least 4 years prior to the loan application date

¹ MAJOR DEROGATORY CREDIT is defined as collections, judgments, or liens that are filed within the past 12 months, have been unpaid 90 or more days past the filing date, and greater than \$350; or, garnishments, charge-offs, voluntary or involuntary repossessions filed within the past 12 months.



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Bankruptcy	<ul style="list-style-type: none"> Bankruptcy Chapter 13 must be paid in full at loan closing Bankruptcy Chapter 7 must have been released at least 2 years prior to the loan application date 	may be accepted. <ul style="list-style-type: none"> Bankruptcy Chapter 13 must be paid in full at least 1 year prior to loan application date Bankruptcy Chapter 7 must have been released at least 3 years prior to the loan application date 	may be accepted <ul style="list-style-type: none"> Bankruptcy Chapter 13 must be paid in full at least 2 years prior to loan application date Bankruptcy Chapter 7 must have been released at least 4 years prior to the loan application date Borrower's with prior bankruptcy must have re-established traditional credit with a satisfactory payment history for at least 2 years 	<ul style="list-style-type: none"> Bankruptcy Chapter 13 must be paid in full at least 3 years prior to loan application date Bankruptcy Chapter 7 must have been released at least 5 years prior to the loan application date Borrower's with prior bankruptcy must have re-established traditional credit with a satisfactory payment history for at least 2 years 	<ul style="list-style-type: none"> No bankruptcy reported in the past 7 years 	<ul style="list-style-type: none"> No bankruptcy ever reported
Foreclosure	<ul style="list-style-type: none"> Foreclosure, deed-in-lieu, or short sale must have been released at least 2 years prior to the loan application date 	<ul style="list-style-type: none"> Foreclosure, deed-in-lieu, or short sale must have been released at least 2 years prior to the loan application date 	<ul style="list-style-type: none"> Foreclosure, deed-in-lieu, or short sale must have been released at least 4 years prior to the loan application date Borrower's with prior foreclosure must have re-established traditional credit with a satisfactory payment history for at least 2 years 	<ul style="list-style-type: none"> Foreclosure, deed-in-lieu, or short sale must have been released at least 5 years prior to the loan application date Borrower's with prior foreclosure must have re-established traditional credit with a satisfactory payment history for at least 2 years 	<ul style="list-style-type: none"> Foreclosure, deed-in-lieu, or short sale must have been released at least 7 years prior to the loan application date 	<ul style="list-style-type: none"> No foreclosure, deed-in-lieu, or short-sale ever reported
Credit Inquiries	<ul style="list-style-type: none"> Credit inquiries in the past 6 months must be investigated to determine if new credit has been granted 	<ul style="list-style-type: none"> Maximum 6 credit inquiries in the past 6 months (multiple inquiries in the most recent 30 days that are directly related to the subject mortgage application may be counted as a single inquiry) 	<ul style="list-style-type: none"> Maximum 6 credit inquiries in the past 6 months (multiple inquiries in the most recent 30 days that are directly related to the subject mortgage application may be counted as a single inquiry) 	<ul style="list-style-type: none"> Maximum 4 credit inquiries in the past 6 months (multiple inquiries in the most recent 30 days that are directly related to the subject mortgage application may be counted as a single inquiry) 	<ul style="list-style-type: none"> No more than 4 credit inquiries in the past 6 months (inquiries within the past month that are directly related to the subject mortgage loan application may be counted as a single inquiry) 	<ul style="list-style-type: none"> No more than 4 credit inquiries in the past 6 months (inquiries within the past month that are directly related to the subject mortgage loan application may be counted as a single inquiry)



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To demonstrate unusable credit due to lack of sufficient credit, documentation in the PMI application file should support one of the following reasons.

- A credit score that is based on fewer than three trades will be considered unusable. A merged credit report may report more than three trades in total, however, a credit score determined by using less than three trades from an individual repository will be considered unusable.
- Credit reports that show credit score Reason Statement Codes indicating that an adverse credit score resulted from lack of sufficient information may be used to demonstrate that the credit score is unusable. Acceptable Reason Statement Codes are as shown in the chart that follows. The Reason Code must be listed as the first or second Reason code on the credit report.

FICO Reason Statement Code	Equifax Beacon SM Code	Trans Union EMPIRICA® Code	Experian EXPERIAN/FAIR, ISSACS Code
Account payment history is too short	07	07	07
Lack of recent auto (finance) loan information	98	97	98
Lack of recent bank/national revolving information	15	15	15
Lack of recent consumer finance company account information	99	99	99
Lack of recent installment loan information	32	04	32
Lack of recent revolving account information	16	16	16
No recent bank/national revolving balances	17	20	20
No recent non-mortgage account balances	24	17	17
No recent revolving balances	14	24	24
Length of time accounts have been established	25	14	14
Length of time consumer finance company loans have been established		98	
Length of time installment loans have been established	25		25
Length of time open installment loans have been established			96
Length of time revolving accounts have been established	12	12	12
Too few accounts with recent payment information	31		31
Too few bank/national revolving accounts	06		03

To demonstrate unusable credit due to inaccurate info, documentation in the file must demonstrate that erroneous information was used to produce the credit score and the discrepancies in the credit file are significant to the score. Significant inaccuracies will include:

- Public record information on bankruptcy, foreclosure, judgment, or collection that does not belong to the borrower
- Delinquent accounts that are reported in error
- More than one trade line that does not belong to the borrower