What real estate agents should know about trended credit

A snapshot tells you what someone looked like at a particular moment in time. A long-running video of the same person may reveal patterns of behavior that tell you much more about a person. That’s the difference between the traditional way lenders have evaluated credit scores in the past and newer methods that use trended credit data. As its name suggests, trended credit data uncovers trends that show lenders how a prospective borrower has managed credit in the past. Trended credit can even predict how borrowers will act in the future, which is lenders’ greatest concern. Almost overnight, trended credit has become the norm in mortgage underwriting. Last September, Fannie Mae introduced trended credit its Desktop Underwriter program, the popular automated underwriting software used by lenders. Equifax and TransUnion have followed suit and replaced their credit reports for mortgage origination with new products that include trended credit data. Trended credit is aug...

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