

FICO® Score 10T for mortgage servicers

Build a more robust servicing portfolio with the most powerful FICO® Score ever

- **Improve returns, mitigate risk, enhance efficiency** and more accurately assess cash flow projections, optimize loan-loss reserves, and improve profitability.
- **Gain a stronger performing loan portfolio** with delinquency reductions of up to 17% at a cutoff of ~680, relative to prior FICO® Score versions.
- **Enhance precision when valuing portfolios and make better informed decisions** to retain or release servicing rights.
- **Unlock powerful insights for a more comprehensive view of borrower behavior** with trended data to better forecast delinquencies, prepayments, and charge-offs.



FICO® Score 10T

Mortgage servicing hypothetical portfolio illustration

This example shows \$46,513,351 (about 2%) of potential MSR cash flow gain using FICO® Score 10T versus Classic FICO® Score, assuming the following:

- A hypothetical \$1 billion servicing portfolio with an original amortization of 360 months.
- Principal delinquencies and the number of delinquent loans are based on the delinquency rate of Classic FICO® Score and FICO® Score 10T at a score cut-off of 680 for Mortgage Originations.
- Based on the hypothetical note rate, coupon, guarantee fee, etc.

	Classic FICO® Score	FICO® Score 10T
Portfolio Balance (hypothetical)	\$100,000,000,000	
Amortization Term (months)	360	
Note Rate	6.625%	
MBS Coupon	5.500%	
Agency guarantee Fee	0.500%	
Base MSR Strip	0.250%	
G-fee BUBD Strip	0.250%	
Excess MSR Strip	0.125%	
Total MSR Strip	0.375%	
Prepayment Rate (monthly)	0.417%	
Delinquency Rate (monthly)	0.11%	0.09%
Principal Delinquencies (\$)	\$8,970,091,174	\$7,788,327,020
Realized MSR Cash Flow	\$2,305,697,987	\$2,352,211,338
Realized MSR cash flow difference using FICO® Score 10T instead of Classic FICO® Score (\$)	\$46,513,351	
Realized MSR cash flow difference using FICO® Score 10T instead of Classic FICO® Score (%)	2.02%	

NOTE: These numbers are for illustrative purposes; actual results will vary based on service portfolio.

Enhance your mortgage servicing strategy with FICO

Our Mortgage and Capital Markets experts can help you minimize risks and maximize your profitability with our advanced credit risk tools.

Connect with us at ficoscoreinfo@fico.com
or visit fico.com/secondarymarket

