

Frequently Asked Questions on The Fair Credit Reporting Act (FCRA) and Genworth

What is FCRA?

The Fair Credit Reporting Act is a federal law to promote the accuracy, fairness and privacy of consumer information contained in consumer reporting agency files. It is intended to protect consumers from the willful and/or negligent inclusion of inaccurate information in their credit reports. To that end, the FCRA regulates the collection, distribution and use of consumer information, including credit information.

Why did I receive this Notice?

The FCRA requires Genworth Mortgage Insurance (Genworth) to send you a notice when your credit report information causes your Mortgage Insurance (MI) premium rate to be higher than the lowest rate available.

Who is Genworth? What is MI?

Genworth is a private mortgage insurance company, and we are providing the insurance to your lender for your mortgage loan. MI insures the lender in the event of a mortgage default, and is generally required on loans when a borrower's downpayment is less than 20%.

What is a credit report?

Your credit report is a detailed record of your credit account history as reported by your lenders and creditors. It shows the type of account (credit card, auto loan, mortgage, etc.), date opened, credit limit, account balance, payment history, and whether payments made were timely. Your credit report also shows inquiries, public records (like bankruptcy, foreclosure, etc.) and collections.

What is a credit score?

Your credit score is a three-digit number, generally ranging from 300-850, that is calculated using the information in your credit report at one or more of the consumer reporting agencies (CRA). The CRAs use a scoring model to generate your credit score. Your score can vary depending on:

- what credit data the CRA has and when it is updated;
- when the credit score is actually calculated; and
- what scoring model is used by the CRA

To learn more about credit reports and credit scores, visit the Consumer Financial Protection Bureau's (CFPB) website: <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>.

What information in my credit report caused my MI premium rate to be higher?

The credit score your lender provided in its MI application is one attribute used by Genworth to determine the MI premium rate. A second attribute is the debt-to-income ratio (DTI), which is calculated by dividing the total monthly debt payment by total monthly gross income.

I have a high credit score. Why didn't I receive the lowest MI premium rate?

Typically, our MI premium rate increases as a credit score decreases. This means that even borrowers with Good credit scores may be charged higher MI premium rates than borrowers with Very Good or Exceptional credit scores. The chart below shows additional information about credit score ranges, ratings, and the meaning of the ranges. Learn more at the FICO® Score website: <https://ficoscore.com/faq/>.

FICO® Score	Rating	Meaning of FICO Score Ranges
<580	Poor	<ul style="list-style-type: none">Well below the average of U.S. consumersDemonstrates to lenders that you are a risky borrower
580-669	Fair	<ul style="list-style-type: none">Below the average of U.S. consumersMany lenders will approve loans with this score
670-739	Good	<ul style="list-style-type: none">Near or slightly above the average of U.S. consumersMost lenders consider this a good score
740-799	Very Good	<ul style="list-style-type: none">Above the average of U.S. consumersDemonstrates to lenders you are a very dependable borrower
800+	Exceptional	<ul style="list-style-type: none">Well above the average score of U.S. consumersDemonstrates to lenders you are an exceptional borrower

Source: <https://ficoscore.com/faq/>

How did Genworth get the credit report information in my Notice?

Your lender provided the credit score, DTI and, in some cases, the credit report when it requested MI for your loan. When your lender does not send us your credit report, we initiate a credit pull (subject to state law) to obtain the information.

Does Genworth need my permission to view or pull my credit report?

No, the FCRA allows certain parties such as creditors and insurers to obtain or view your credit report in connection with requests for credit or the underwriting of insurance. However, certain states do require prior notice or consent from the borrower.

If Genworth pulls my credit, will it negatively affect my credit score?

No. Our credit pull as an insurer and not a creditor is a “soft pull” that does not affect your credit score.

What happens when there is more than one borrower on the loan?

Genworth sends a separate FCRA notice to each borrower. The notice only shows that borrower’s credit information and the credit score used for pricing.

Can my MI premium change if my credit score changes?

The rate that we charge your lender for MI is based on the information provided by your lender at the time of MI application. Corrected or updated information received before loan closing may affect the MI premium. However, the MI premium rate is fixed when the loan is closed, so subsequent credit score changes will not impact the MI premium rate charged.

How do I dispute the accuracy or completeness of the credit report information about me?

Your notice includes contact information for the CRA that provided the credit information used in Genworth’s underwriting decision. Contact the CRA for any discrepancies or questions you may have. Learn more about correcting credit information at: www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/.