



EQUIFAX[®]

Undisclosed Debt Monitoring

Mitigate loan quality concerns and reduce repurchase risk

Mortgage loan origination risk continues to rise

Borrower misrepresentation continues to be one of the most costly expenses associated with mortgage loan origination. The CFPB's Ability to Repay Rule requires mortgage lenders to evaluate a borrower's debt-to-income (DTI) ratio to determine how much debt the consumer can afford. In addition, Fannie Mae's Seller Guide requires lenders to have internal controls to identify material undisclosed debt throughout the origination process. This means that mortgage lenders need digital tools to help protect themselves from these significant risks.

An "always on" solution

At Equifax, we understand that lenders need more transparency into the credit activity of borrowers throughout the underwriting process. Undisclosed Debt Monitoring™ (UDM) from Equifax provides a digital platform which continuously monitors the "quiet period" between the time of the original credit file pull and loan closing. Our platform is "always on" — which means we constantly monitor borrower files and provide daily alerts to mortgage originators of activity that may represent potential risk associated with mortgage loans in their pipelines. UDM can help your business:

- **Reduce repurchase risk** and improve loan quality by identifying any new debt incurred by the borrower from application to closing.
- **Improve the confidence** level of investors, mortgage insurers and regulators in your mortgage underwriting practices.
- **Avoid last minute surprises**¹ at loan closing via daily alerts for new debts, inquiries, debt and other changes to the borrower's credit file.
- **Improve underwriting efficiency**² by focusing only on loan files that need to be reviewed for undisclosed debt.
- **Compete effectively** in the marketplace by being aware of mortgage inquiries on your loan pipeline.
- **Minimize loan fallout** by working closely with borrowers with recent inquiries.

¹ Equifax analysis shows that 22% of new trades were reported in 10 days or less prior to closing.

² Equifax analysis shows that about a quarter of the loans being monitored report a new trade line during the origination process. Mortgage lenders can improve underwriting efficiency by focusing more on loans with new trade lines versus treating all loans the same.

Key benefits

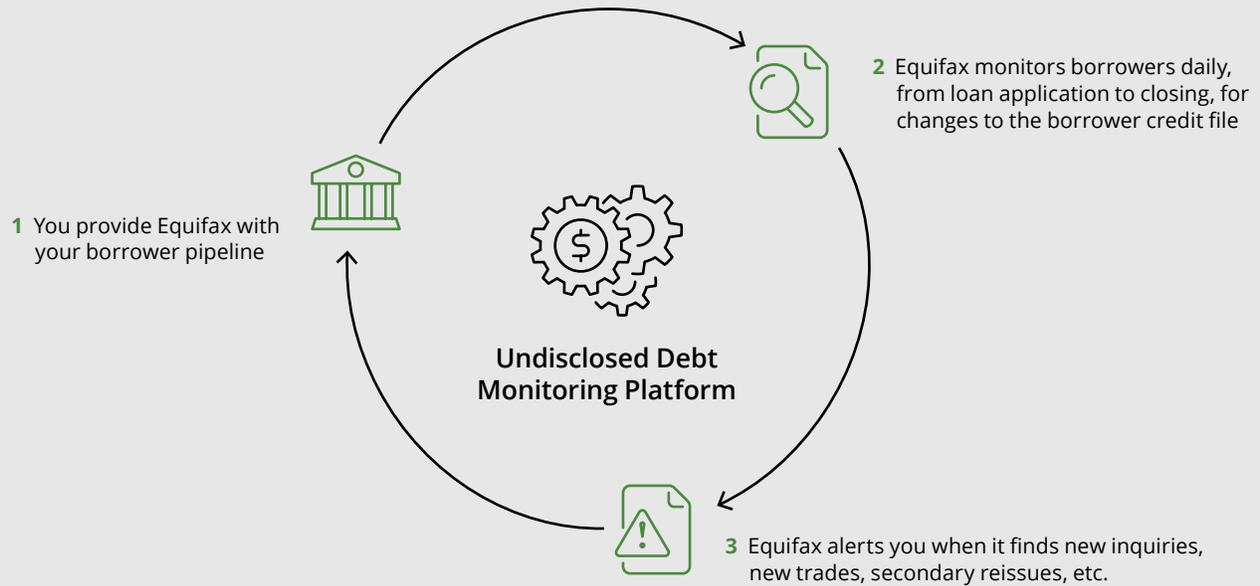
Reduce fraud and repurchase risk

Streamline underwriting processes

Minimize loan fallout

Improve confidence of investors, GSEs and regulators

How our platform works



Multiple delivery channels to meet your specific needs

Equifax provides easy access through our cloud-based UDM portal. In addition, UDM is integrated with the leading Loan Origination Systems (LOS) and mortgage technology providers making it even easier for you to begin leveraging UDM.

The most streamlined and efficient debt monitoring system available

Our system's flexible and configurable rules and filters help you zero in on the right alerts. The key alert³ types that UDM delivers on a daily basis include:

- New Inquiries
- New trade lines
- Secondary reissues
- Late Payments (30/60/90/120)

Contact your Equifax sales representative.
equifax.com/mortgage/UDM

³ Additionally you have the option to receive alerts for payment changes, balance changes, bankruptcies, and collections