Banking and Finance Law Daily Wrap Up, GOVERNMENT SPONSORED ENTERPRISES—Mortgage groups have questions on FHFA credit-score changes, (Jul. 14, 2025)

Banking and Finance Law Daily Wrap Up

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By Nora Macaluso

The Mortgage Bankers Association, American Bankers Association, Housing Policy Council, and Structured Finance Association said they would work with GSEs on implementation.

Mortgage banking groups said they have “questions and concerns” about the Federal Housing Finance Agency’s recent directive that government-sponsored enterprises (GSEs) allow lenders to adopt a new credit-scoring system, VantageScore 4.0. The Mortgage Bankers Association, American Bankers Association, Housing Policy Council, and Structured Finance Association said in a joint statement cited in the ABA Banking Journal that the July 8 directive “was a promising first step to our shared goal of a more efficient, more transparent, and more competitive credit scoring system that serves as many creditworthy Americans as possible.”

However, they added, “the transition to a competitive market for credit scores raises a number of implementation questions and concerns that the GSEs will need to address before they can take delivery of loans that rely on new scores – including Vantage Score 4.0 and/or FICO 10T – for pricing or eligibility.”

The FHFA said it would “immediately implement the acceptance” of the system for mortgages sold to Fannie Mae and Freddie Mac, according to a July 8 press release from VantageScore. The company said the change “will revolutionize the American mortgage market and grant millions of creditworthy Americans the golden opportunity to own their homes.”

According to the trade associations, “[c]redit score standards are embedded throughout the mortgage ecosystem and the incorporation of Vantage into that ecosystem will require the GSEs to provide lenders, investors, and other market participants critical implementation guidance.” But, they said they are prepared to partner with the GSEs to quickly resolve these issues. “Strong and fast collaboration between GSEs and industry stakeholders will be necessary to realize the vision of true competition for credit scores and lower costs for consumers,” the joint statement said. “We look forward to working together,” the groups emphasized.

Companies: American Bankers Association; Fannie Mae; Freddie Mac; Housing Policy Council; Mortgage Bankers Association; Structured Finance Association

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