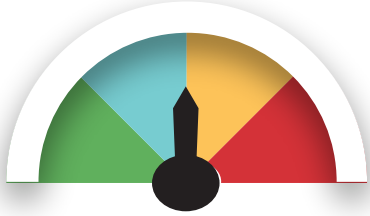


Mortgage Credit Reports: a Cheat Sheet



Hard vs. soft credit checks, credit scores, timing & tips...

Mortgage approval is based on three things: income, assets, and credit. This guide zooms in on credit—what lenders look at, credit scores, hard vs. soft pulls, timing, and where to focus as you plan for a home purchase.

What Makes A Mortgage Report Different?

Credit monitoring tools like Credit Karma are great for keeping tabs on your credit, but for mortgage planning, we use a mortgage-specific credit report that:

- Pulls from all three bureaus
- Includes mortgage-specific scoring models
- Works with digital underwriting tools

Mortgage Credit Scores

Mortgage Credit Scores Are Different

You have **60+** credit scores. (Yes, really.) Only three are used for mortgages—and they're probably not the ones you're monitoring.

For now (there are rumblings of changes to come), mortgage lending uses these models:

- FICO Score 2 (Experian)
- FICO Score 5 (Equifax)
- FICO Score 4 (TransUnion)

These are older, mortgage-specific models that generally run **5 to 20 points lower** than the consumer scores shown by services like Credit Karma or credit card companies. (Seeing a lower score on your mortgage credit report is completely normal. 😊)

How Scores Are Selected

Most programs require at least two credit scores, but three are preferred.

- If you have **two scores**, we use the **lower** one.

- If you have **three scores**, we use the **middle** one.
- With **multiple borrowers**, we use the lowest qualifying score among all borrowers

What Scores Affect

Your credit scores can affect:

- Eligibility for loan programs
- Interest rate
- Loan costs
- Mortgage insurance costs (when applicable)
- Homeowners insurance premiums

Lifting Credit Freezes

If you have a credit freeze in place, we can't pull a credit report (even a soft report) until it is lifted.

A few important things to know:

- At least **two bureaus must be accessible**, but we recommend lifting **all three** (the middle score of three may be higher than the lower of two)
- Lifting **temporarily or permanently** is fine
- The lift just needs to last **long enough for us to pull credit**

If you re-freeze your credit after our initial soft credit check, we'll have you lift the freeze again later when it's time for a hard credit check.

Mortgage Credit Reports: a Cheat Sheet

You can manage freezes directly with each bureau here:

- **Equifax:** <https://www.equifax.com/personal/credit-report-services/>
- **Experian:** <https://www.experian.com/freeze/center.html>
- **TransUnion:** <https://www.transunion.com/credit-freeze>

⚠️ *Equifax PINs*

If you've lost your Equifax login information, they may mail you a PIN. Just lift your Experian and TransUnion freezes for now. We'll get started and add Equifax later.

Soft vs. Hard Credit Checks

There are two types of credit checks used in mortgage lending: **soft and hard**. Both show us your complete credit profile, but they're used at different stages and have different impacts on your credit report.

Our Planning-First Approach To Soft Vs. Hard Credit Checks

We use both soft and hard credit checks in the mortgage process—but for different reasons and at different times. We always start with a **soft credit check**. A soft check gives us everything we need:

- When planning ahead or exploring options
- For clarity around pricing, programs, or next steps
- For most pre-approval letters
- For insight into credit optimization strategies

We may recommend a **hard credit check** in three situations:

1. **Your offer is accepted, and it's time to move forward.**
A hard credit check is required to move your loan into underwriting and toward closing.
2. **When a hard check is needed for pre-approval.**
The automated underwriting systems (AUS) used to approve loans don't always run for FHA, VA, and USDA loans with a soft report.

3. **Strategically, to lock in a better credit score.** A hard credit pull gives us 90 to 120 days to close using today's scores. This can be helpful in situations like:
 - Paying off a mortgage or installment loan (which can temporarily lower scores—yes, really)
 - Applying for new credit, such as a HELOC you plan to use to fund your down payment
 - When another lender has already pulled your credit, adding our inquiry within a 45-day window groups inquiries and protects your score.

Optimizing Credit Scores

We're always on the lookout for ways to optimize your scores. We combine innovative credit score modeling software—which can instantly run **thousands of “what-if” scenarios**—with a bag of tricks we've picked up reviewing tens of thousands of credit reports over the years. (Yes. We are all nearsighted. Why do you ask?)

That combination enables us to map out a smart, **long-term plan** for a future purchase or pinpoint **fast, targeted updates** that could improve your score in days. Just as importantly, we'll offer guidance on **what not to do**—so well-intended moves don't backfire.

I was going to say the goal isn't to “hack” your credit... but it kind of is. 🙄 (Using data, experience, and strategic timing.)

Still have questions?

We're always available to answer questions and talk through any circumstances specific to you.

Take a look at our Hard vs. Soft Credit Check Reference Sheet on the next page

Mortgage Credit Reports: a Cheat Sheet

	Soft Credit Check	Hard Credit Check
Information included	Full credit profile	Full credit profile
Affects your credit score	✗ No	✓ Yes (typically drops ~5-10 points; usually recovers within a few months)
Visible to other lenders	✗ No	✓ Yes
Cost	\$0	\$35 per person
Valid timeframe	n/a (informational snapshot)	120 days for most loans (conforming, FHA, VA, USDA); 90 days for some jumbo, portfolio, and alternative programs
Compatible with automated underwriting (AUS)	✓ Usually (AUS may not run on all FHA, VA, or USDA loans)	✓ Yes
Sufficient for pre-approval	✓ Usually (AUS may not run on all FHA, VA, or USDA loans)	✓ Yes
Best used for	Planning & pre-approval	Underwriting & final approval
Recommended when	You're exploring, planning, or house hunting with an unknown timeline	Your offer is accepted; AUS won't run; strategically to lock usable scores
Obligates you into anything	✗ No	✗ No

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