

## Banks that do not use FICO Scores for Mortgage Loans

Banks that do not use FICO Scores for Mortgage Loans FICO Credit Scores do not predict loan defaults

What led to the credit crisis? I part it was encouraged by the use of FICO Credit Scores and total disregard for the use of traditional review in underwriting. In fact this was encouraged by the regulators. FICO Credit Score use by banks was a significant contributory factor in the credit crisis.

Which banks don't use FICO Credit Scores in their underwriting process?

- Banks that underwrite loans manually without the use of quick and easy FICO Credit Scores
- Certain community banks may overlook your FICO Credit Score if you have been doing business with them from some time.

Other banks require a minimum

Loan to value is your total mortgages vs. your total purchase price of the real estate. Below is an estimate of the LTV (Loan to Value) which some banks require as compared to your FICO Credit Score.

- Minimum 680 FICO Credit Score for LTV > 90%
  - Minimum 620 FICO Credit Score for LTV > 80%
  - Minimum 600 FICO Credit Score for LTV < 80%
- How to negotiate with Banks that does not use FICO Scores for Mortgage Loans

If are lucky enough to have an ongoing close relationship with a small community bank and also have a low FICO Credit Score, remember these key things of what not to do.

- Spend money on expensive entertaining of potential lenders.
- Sign personal guarantees unless absolutely necessary.
- Exaggerate.

Take the first step in working with a bank that does not use FICO Credit Scores for Mortgage Loans is to ask them about their loan process and explain to them your situation in regards to your FICO Credit Score and needs.