



FHA Alternative Credit Scores Preparedness Guide

The purpose of this Preparedness Guide is to assist mortgagees and other industry partners as FHA transitions to accepting alternative credit score models. The information provided in this guide is specific to FHA Title II forward loan programs scored in FHA's Technology Open To Approved Lenders (TOTAL) Scorecard.

Mortgagees should continue to utilize the existing policy guidance on credit reports in the HUD [*Single Family Housing Policy Handbook 4000.1*](#) until guidance is published, and the January 1, 2027, implementation is in effect.

1. Credit Score Models in TOTAL

FHA uses the term *credit score model* to refer to Classic FICO® (Classic), VantageScore® 4.0 (V4) and FICO® Score 10T (10T). Beginning with case numbers assigned on or after January 1, 2027, FHA will accept V4 and 10T credit score models in addition to Classic.

All borrowers on a loan must be scored using the same credit score model(s). For example, a lender cannot use V4 for the primary borrower and 10T for a co-borrower. When multiple credit score models are included in a TOTAL Scorecard submission, all models must pass the scorecard evaluation for the transaction to receive an Accept. Lenders may change the models when rescoring a transaction, provided all borrowers are scored with the same credit score model(s). Lenders may prefer to submit a single credit score model for all borrowers.

2. Working With Multiple Credit Score Models

Lenders should carefully review the credit report and assess whether all the credit scoring models meet FHA's minimum score requirements. All credit score models submitted to TOTAL Scorecard must receive an Accept recommendation for the final result to be an Accept. If any one credit score model receives a Refer recommendation, the final recommendation will be a Refer. Lenders may work with credit providers to have one or more models removed and resubmit to TOTAL if desired.

3. FHA Credit Report Requirements and the Minimum Decision Credit Scores (MDCS)

FHA's credit report requirements remain unchanged. These requirements include a tri-merged credit report from an independent consumer credit reporting agency.

The established thresholds for MDCS of 500, 580, and 620 also apply to the new credit score models. All credit score models submitted to TOTAL must meet these



requirements. Lenders may choose to submit one or more credit score model(s) within these guidelines.

4. Determining the Minimum Decision Credit Score (MDCS)

Calculating the MDCS remains the same as it is today when one credit score model is submitted. Where three differing scores are reported, the middle score is the MDCS. Where two differing scores are reported, the MDCS is the lowest score. Where only one score is reported, that score is the MDCS. An MDCS is determined for each Borrower. Where there are multiple borrowers, the MDCS is the lowest of all borrowers.

However, if working with more than one credit score model, there is an additional step. An MDCS is determined for each borrower and for each credit score model. An individual borrower's MDCS is determined by evaluating the scores for each credit score model present and using the lowest of those scores. For each credit score model, if:

- three scores are reported, the median score is the model score;
- two differing scores are reported, the model score is the lowest score;
- only one score is reported, that score is the model score.

After the MDCS has been determined for each borrower, the MDCS for the transaction is the lowest MDCS score of all borrowers.

5. Where can lenders and other stakeholders reach out to for answers to questions regarding these changes?

FHA Resource Center. Emails and phone messages will be responded to during normal hours of operation, 8:00 a.m. to 8:00 p.m. ET, Monday through Friday on all non-Federal holidays.

- **Online FAQ Site:** <https://answers.hud.gov/FHA/s/>
Our online knowledge base helps you find answers 24/7.
- **Email:** answers@hud.gov
The FHA Resource Center can accept emails with attachments. To ensure proper attention to the attachment please reference it within the body of the email.
- **Telephone: (800) CALL-FHA (1-800-225-5342)**
The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.