

CUSTOMER ANNOUNCEMENT

CA 2022-02 | JULY 20, 2022

► Equifax Coding Error Incident

Arch MI Announces Position on and Data Collection Requirements for Loans Affected by the Equifax Coding Error Incident

Recent communications from Equifax, Fannie Mae and Freddie Mac have notified us that due to an internal Equifax coding error, credit scores and credit data may have been affected in approximately 12% of credit reports issued by Equifax between March 17 and April 6, 2022.

Fannie Mae Lender Letter (LL) 2022-02 and Freddie Mac Bulletin 2022-14 address the impact of this Equifax coding error and announce their requirements for mortgages impacted by the coding error incident. The Agencies have determined that any errors to the underlying credit report data resulting from the coding error incident will not be considered material, and a repurchase request will not be issued based solely on this issue. The Agencies will not require lenders to obtain an updated credit report and re-underwrite the loan, and the inaccurate credit score used at the time of underwriting will not render the loan ineligible for purchase. However, the Agencies do require the corrected score to be obtained from Equifax and data corrections made. Loan-level price adjustments and applicable credit fees will be based on the recalculated representative credit score. The process for obtaining and correcting the data with the Agencies varies based on whether the loan was underwritten through Desktop Underwriter® (DU®), Loan Product Advisor® (LPASM) or manually underwritten, as well as the purchase status of the loan.

For complete details, please refer to the links below:

[Fannie Mae LL-2022-02](#)

[Freddie Mac Bulletin 2022-14](#)

This announcement addresses Arch Mortgage Insurance Company's (Arch MI's) position and our data collection requirements for those loans affected by the Equifax coding error incident

Arch MI will align with the Agencies' determination that any errors to the underlying credit report data resulting from the coding error incident will not be considered material and will not be subject to rescission based solely on this issue. Loans with insurance-in-force and loans in commitment status remain eligible. Arch MI will not require updated credit reports and will not require the loan to be re-underwritten.

For loans sold to Fannie Mae or Freddie Mac with DU or LPA, Arch MI expects to receive a data transmission from each Agency listing the impacted loans and will make the applicable data corrections at that time. If there is an immediate need for a data correction for a loan sold to Fannie Mae or Freddie Mac with DU or LPA, lenders may submit the corrected Equifax score as outlined below. For all other loans, including loans sold to the Agencies without DU or LPA, or for loans held in portfolio or sold to other investors, Arch MI encourages lenders to submit the corrected Equifax credit score as outlined below.

ARCH MI DATA COLLECTION FOR LOANS IMPACTED BY THE EQUIFAX CODING ERROR

	Loan Status	Data Collection
Loans With Insurance-In-Force and Activated Commitments	Loans sold to Fannie Mae or Freddie Mac with DU or LPA.	Arch MI expects to receive the corrected data from Fannie Mae and Freddie Mac and will make the applicable data corrections at that time. For an immediate need, lenders may submit the corrected Equifax credit score, supporting documentation and the MI Certificate number to: servicingreinstatements@archmi.com .
	All others, including: <ul style="list-style-type: none"> Loans sold to the Agencies without DU or LPA. Loans sold to other investors. Loans held in portfolio. 	Lenders may submit the corrected Equifax credit score, supporting documentation and the MI Certificate number to: servicingreinstatements@archmi.com .
Loans In Commitment Status	<p>Non-delegated submissions: Lenders may submit the corrected Equifax credit score, supporting documentation and the MI Certificate number to: uwcustomerservice@archmi.com.</p> <p>Delegated submissions: Lenders may submit the corrected Equifax credit score and update the MI commitment through their LOS or CONNECT. If the MI pricing increases because of the corrected Equifax credit score, the lender may contact Arch MI for a pricing adjustment using the address below. uwcustomerservice@archmi.com.</p>	

Data Corrections and MI Pricing:

- For loans where the representative credit score has decreased resulting in a higher price — Arch MI will not require a price adjustment.
- For loans where the representative credit score has increased resulting in a lower price — Arch MI will evaluate the pricing impact based on the pricing model used at the time of the commitment and provide a refund where applicable.

For more information, contact your [Arch MI Account Manager](#).