

# New Credit Score Option for Home Loans Starts Today

*Fannie Mae and Freddie Mac Add VantageScore 4.0 to Help More Americans Qualify for Home Loans*

CHARLOTTE, NC, UNITED STATES, July 22, 2025 /EINPresswire.com/ -- The Federal Housing Finance Agency (FHFA) [announced](#) on July 11, 2025, that Fannie Mae and Freddie Mac will now accept a new credit score model, VantageScore 4.0, for mortgage underwriting. The change takes effect immediately. Lenders can use it

without requiring significant system overhauls, thanks to its compatibility with existing tri-merge credit reports from Experian, Equifax, and TransUnion.



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This could help people with different credit histories get approved for loans, But it may take some time for lenders to fully adjust their processes and policies.”

*Jason "J.D." Koontz*

## About VantageScore 4.0

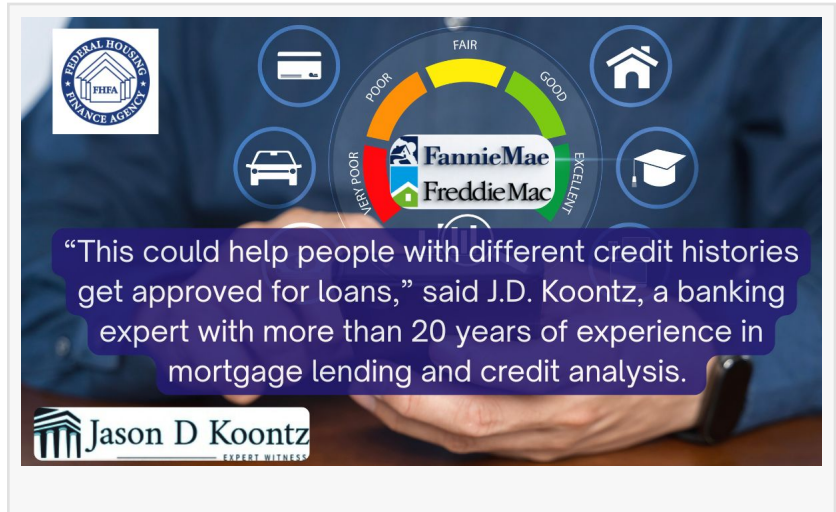
Developed by the VantageScore consortium, a joint venture of the three major credit bureaus, VantageScore 4.0 uses machine learning and trended data to more accurately predict credit risk, especially for consumers with thin or non-traditional credit files. VantageScore 4.0 includes rent, utility, and phone payments data that could help up to 33 million more Americans qualify for a mortgage.

This shift follows the End of GSE Conservatorship Preparation Act of 2025; a bipartisan law aimed at increasing competition in credit scoring. FHFA had first approved VantageScore 4.0 in 2022 but delayed implementation to address concerns from the mortgage industry. Plans to allow other score models, such as FICO 10T or a two-bureau option, remain under review with no start date yet.

## What This Means for You

Imagine you're 22, just out of college, and renting an apartment for \$1,000 per month. You've

never had a credit card or loan, so your FICO score is too low to qualify for a mortgage. With VantageScore 4.0, your on-time rent payments can now count toward your credit history. This could help you qualify for a \$200,000 home loan with a \$1,250 monthly principal and interest payment. It gives you the opportunity to start building equity in a starter home instead of continuing to rent.



## Industry Perspectives and Considerations

Koontz noted that while the adoption of VantageScore 4.0 is a promising development for expanding credit access, implementation may not be uniform across all lenders. Some institutions may move quickly to incorporate the new model, while others may take a more cautious approach, waiting for additional guidance and data from Fannie Mae and Freddie Mac. In the meantime, borrowers are encouraged to consult with their lenders to understand how this change could affect their mortgage applications.

### About [J.D. Koontz](#)

J.D. Koontz is a [nationally recognized banking expert and consultant](#) with over 20 years of experience advising financial institutions, regulatory agencies, and legal teams. He specializes in regulatory compliance, credit model evaluation, and litigation support, and is frequently quoted in national financial publications.

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