



### QA Credit Scoring

<b>Q</b>	<b>What is a credit profile?</b>
A	A credit profile is unique to every individual. It shows what existing credit your clients have; how their credit is being managed and how their credit has been managed in the past.
<b>Q</b>	<b>What is credit scoring?</b>
A	Credit scoring is a statistical based tool used by lenders to assess the credit worthiness of potential borrowers who apply for mortgage finance. Your clients credit score is based on the information held within their credit profile and the lender's own rules. The higher the score, the lower the risk associated and the greater the chance of being offered a mortgage.
<b>Q</b>	<b>How does Newcastle Building Society use my clients credit profile?</b>
A	To assist the underwriting of your clients mortgage application, Newcastle Building Society will contact Experian (a Credit Referencing Agency) electronically to gain factual information from your clients credit profile. This will include a credit search and automated credit score which will be assessed alongside the information you have already supplied on your clients application.
<b>Q</b>	<b>Why is Newcastle Building Society introducing credit scoring?</b>
A	Previously, Newcastle Building Society only completed a credit search when underwriting mortgage applications and making decisions to lend. Going forward, credit scoring will form part of this credit search which will help the Society to assess all applications in the same way, treating our customers fairly, to maintain consistency and ensure we are lending responsibly.
<b>Q</b>	<b>What impact will credit scoring have on my clients credit profile?</b>
A	Credit scoring will have no immediate impact on your clients ability to apply for credit elsewhere, however a hard footprint will be left on their credit profile. Any decision we make following your clients application to us will not be available for other credit providers to see, nor will other providers be able to see that it was applied for through Newcastle Building Society.
<b>Q</b>	<b>If my clients application is declined because of my credit score, will Newcastle Building Society be able to tell me why?</b>
A	No. For security reasons and to prevent fraud, our credit score information is confidential and will therefore only be viewed by our underwriters. It will not be shared with you or your client. (Please refer to 'How can I obtain my credit report?')

<b>Q</b>	<b>Why did you decline my clients application?</b>
A	An application may be rejected if the score you have achieved does not meet the level acceptable to us.

<b>Q</b>	<b>Can I appeal the decision?</b>
A	Yes. You can appeal against our decision, and although we can't guarantee to reverse it, we will be happy to review any further supporting information you can provide. Under the Data Protection Act your clients are entitled, within 21 days of you being notified of our decision, to request the automated decision be reviewed by us.

<b>Q</b>	<b>How can my clients obtain their credit report?</b>
A	Should your clients wish to view their credit report, they can request this by visiting <a href="http://www.experian.co.uk">www.experian.co.uk</a> or by calling Experian on 0844 481 8000. If they subsequently become aware of any anomalies on their credit profile, they can request for this to be amended. If your clients credit profile is not up to date and accurate this may impact on our decision to lend.

<b>Q</b>	<b>My clients have been declined; can I reapply with Newcastle Building Society again?</b>
A	If your clients have been declined because of your credit score, you can reapply for a mortgage with Newcastle Building Society after a reasonable period of time as we recognise that circumstances do change. (Please refer to 'How can I improve my credit score?')

<b>Q</b>	<b>As my clients have been declined by NBS, will every mortgage lender who uses a credit score decline an application I make?</b>
A	We are unable to confirm whether other lenders who operate a credit score model will accept or decline further applications you make on behalf of your clients. Other mortgage providers will have developed their own unique credit score as best suits their own risk appetite. We recommend that you obtain a copy of your clients credit report prior to making any further applications for credit.

<b>Q</b>	<b>How can my clients improve their credit score?</b>
A	<ul style="list-style-type: none"> <li>• Make all regular payments on time</li> <li>• Where possible, repay more than the minimum required each month</li> <li>• Check they are registered on the Electoral Roll at their current address</li> <li>• Check the information on their credit report is accurate and up to date</li> <li>• Don't leave credit cards dormant, cancel any which are unused</li> <li>• Reduce their credit limits if they are not required</li> <li>• Don't apply for too much credit in a short space of time (credit cards, loans, mobile phone contracts, hire purchase etc)</li> </ul>