

Frequently Asked Questions

The Fair Credit Reporting Act and Enact – For Lenders

Updated February 2026

Enact Mortgage Insurance sends notices to borrowers as required by the Fair Credit Reporting Act (FCRA). Please use these FAQs to help address your borrowers' questions.

Why does Enact send Adverse Action Notices?

To satisfy the requirements of the FCRA and the Dodd-Frank Act, we send notices to borrowers with borrower-paid mortgage insurance (BPMI) on loans for one of the following reasons:

- Adverse Pricing: any loan that did not receive the best premium rate available within a specific program based on information in the credit report, such as credit score
- Credit Declination: a declination based on information in the credit report, such as credit score, serious delinquencies, bankruptcy, foreclosure, etc.

Does Enact send notices on Lender-Paid MI products (LPMI)?

Adverse pricing notices are not sent to borrowers with loans insured with LPMI. However, a notice is sent when an application ordered with LPMI is declined based on credit.

When is an Adverse Pricing Notice sent and why?

The FCRA requires us to provide a notice to the borrower when we approve a loan, and the premium rate applied is not our lowest rate due to the credit score. The approved loan is flagged in our system, and an adverse pricing notice is immediately generated. The notice is sent out the next business day after our MI approval, given the required 30-day regulatory timeframe in which Enact must provide these notices.

What information from the credit report caused the MI premium rate to be higher?

The credit scores provided by the lender in the MI application is used in determining the MI premium rate.

When is a Declination Notice sent and why?

A decline decision for a credit reason is considered an adverse action under the FCRA, and it requires us to provide the borrower with notice of our decision. Our timeframe for providing the notice is within 30 days of our decision. When we decline a loan because of the credit score, DTI, or other credit-related reasons, the loan is flagged for a decline letter in our system. We hold the flagged loan for a period of time to give the lender an opportunity to make corrections, if possible. If the decline decision is not reversed, the decline letter is processed and mailed to the borrower.

What information from the credit report caused the MI premium rate to be higher?

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Where do we send the letter?

Our adverse action notices are sent to the borrower's mailing address. If no mailing address is provided, the letter is sent to the borrower's current address.

Please note: We occasionally hear from borrowers that their letter went to the wrong address. Most often, they indicate it was mailed to their current address even though a mailing address was provided to their lender. Our research into these cases shows the lender failed to send the mailing address to us. We rely on the accuracy of the address provided by the lender to comply with our FCRA obligations. In addition, address accuracy is vital to the Safe at Home regulations enacted by many states to shield the physical address of victims of domestic violence, stalking, trafficking, etc. It is critical in these cases for lenders to provide us with an accurate mailing address to help protect the borrower.

What happens when there is more than one borrower on the loan?

The FCRA requires us to provide an adverse action notice to each borrower. We send a separate FCRA notice to each borrower which shows their credit information (credit score, score factors, etc.) and the representative credit score for the loan.

If there are multiple credit scores available for a borrower(s), which one will Enact use for pricing?

We follow the GSEs' methodology for selecting the loan representative credit score used for pricing and eligibility; refer to our underwriting guidelines for the "how-to." For non-delegated loans, we use the lender's credit report to select the score. For delegated loans, we use or derive the representative credit score provided by the lender in the MI application submitted via an LOS or our website.

How will I know if a borrower will receive an Adverse Pricing Notice?

An adverse pricing message prints on page two of the Commitment/Certificate (C/C) in the Notes-Information Only section. It is the first message that appears in this section.

My borrower has a high credit score; why did they receive an Adverse Pricing Notice?

As MI pricing has become more granular, the credit score for the "best" MI premium rate has increased. Therefore, even borrowers with strong credit scores may not receive the best MI premium rate.

What information from the borrower's credit report does Enact need for FCRA letters?

We are required to include the following credit information in our adverse action notices:

- Credit Reporting Agency (CRA) name, address, and toll-free telephone number, which supplied the credit report
- Credit score
- Key factors that adversely affected the credit score
- Date the credit score was created
- Range of possible credit scores (always 350-850)

How does Enact obtain the necessary information for loans requiring an Adverse Notice?

We obtain the information from:

- the LOS datafile transmitted by the lender;
- , the credit report provided by the lender in the loan package;
- our credit pull (subject to state variances)

If Enact orders a credit report, will it negatively affect the borrower's credit score?

No. Because we are an insurer and not a creditor, our credit pull is a "soft pull" that does not affect the borrower's credit score. However, Enact's credit pull may be listed when a borrower orders a copy of their own credit report.

Which states have variances to the process?

There are exceptions to the process in a few states due to state statutory requirements.

1. **Vermont** requires us to obtain prior written consent from the borrower before accessing a credit report. Therefore, we do not order credit reports for properties in Vermont.
 - For delegated LOS loans, we will use the credit data from the datafile when all of the information needed for the letter is provided (see the list above). If the credit data is incomplete, the loan is suspended, and our Delegated and Specialized MI team reaches out to the lender to obtain the FCRA information. The loan will not be approved or declined until the FCRA information is obtained.
 - For delegated loans coming in through the MI Site, lenders are prompted to key in the credit information when adverse pricing applies.
 - This process does not apply to non-delegated loans.
2. **New York, Rhode Island, and Colorado** require us to notify the borrower that we intend to access their credit report. In this situation, we send the borrower a Notice of Credit Pull letter. This notification process does not affect the timing or processing of the MI application.

Are all MI companies required to send Adverse Action Notices?

Yes. The FCRA is a federal law that applies to all MI companies and requires adverse action notices to be sent when the information in the credit report drives the MI pricing or the decline decision. The FCRA also defines the information that must be included in the notices.

How can I get a copy of the FCRA notice sent to a borrower?

Please call the ActionCenter® at 800 444.5664 if you would like to receive a copy of the FCRA letter sent to your borrower.