

FICO® Score 10 T Decisively Outperforms VantageScore 4.0 in Mortgage Predictive Accuracy

New analysis proves FICO® Score 10 T's superior performance for homebuyers, mortgage lenders and investors

BOZEMAN, Mont. — July 16, 2025 — FICO (NYSE: FICO), global analytics software leader, today released a new white paper revealing that FICO® Score 10 T – the company's most predictive and inclusive credit scoring model to date – overwhelmingly outperforms VantageScore 4.0 in mortgage origination predictive power.

The white paper highlights an analysis by an independent third party that found that VantageScore 4.0 generates a minimal predictive improvement over Classic FICO. At the same time, FICO data scientists established that FICO® Score 10 T far exceeds Classic FICO in detecting loan losses.

Key findings:

- FICO® Score 10 T's improvement over Classic FICO was shown to be 5 times better than VantageScore 4.0's improvement, detecting 18% more defaulters where it matters most – in the critical score decile used for mortgage origination – versus just 3.4% for VantageScore 4.0.
- VantageScore 4.0's improvement over Classic FICO was shown to be so minor that when properly adjusting the comparison due to a truncation anomaly described in our white paper, it should be questioned if VantageScore 4.0 even beats Classic FICO at all.

Based on enhanced prediction, use of FICO® Score 10 T rather than VantageScore 4.0 by market participants throughout the mortgage industry will drive significantly more loan approvals for prospective borrowers, and, due to better model performance for mortgage insurers, investors and others, improve mortgage pricing and lower costs for borrowers—benefitting millions of Americans.

"I'm proud of my analytics team for developing such a strong credit score for predicting mortgage default," said Ethan Dornhelm, vice president of Scores and Predictive Analytics at FICO. "We were confident that FICO Score 10 T would significantly outperform VantageScore 4.0 in predicting mortgage risk and this analysis shows that conclusively."

In addition to its superior predictive accuracy, FICO® Score 10 T stands out for its commitment to fairness and trusted standards. The white paper also highlights that VantageScore attempts to improve the predictive performance of VantageScore 4.0 by including mortgage-specific variables, which penalize people who have never owned a home. Under VantageScore, millions of Americans — including young people, members of military, and people from disadvantaged groups — will have lower scores than they

otherwise would, merely because they have never owned a home. FICO Score 10 T includes rental data while not penalizing people for not owning a home.

“Just as the mortgage industry begins to embrace rent as a meaningful indicator of credit readiness, VantageScore 4.0 penalizes renters with lower scores,” said Jim Wehmann, president of Scores at FICO. “VantageScore’s mortgage variables will force lenders to inform disadvantaged groups or members of the military through adverse action notices that they have been rejected for a mortgage because they don’t currently own a home. Imagine telling a potential borrower, ‘you need a mortgage to get a mortgage.’ Not only is that confusing to consumers, it is unfair.”

Since October 2022, FICO® Score 10 T has been validated and approved by the Federal Housing Finance Agency for use by Fannie Mae and Freddie Mac, enabling its use in the origination of conforming mortgage loans, with implementation of the model ongoing. It’s not just FICO data scientists that recognize FICO Score 10 T’s decisive performance over VantageScore: early adopters representing over \$300 billion in annual mortgage originations and \$1.5 trillion in mortgage servicing portfolios have adopted and started trading loans with FICO Score 10 T.

Learn more about the study and to download the executive summary and full white paper by visiting <https://www.fico.com/blogs/fico-score-10-t-decisively-beats-vantagescore-4-0-predictability>.

About FICO

FICO (NYSE: FICO) powers decisions that help people and businesses around the world prosper. Founded in 1956, the company is a pioneer in the use of predictive analytics and data science to improve operational decisions. FICO holds more than 200 US and foreign patents on technologies that increase profitability, customer satisfaction and growth for businesses in financial services, insurance, telecommunications, health care, retail and many other industries. Using FICO solutions, businesses in more than 80 countries do everything from protecting 4 billion payment cards from fraud, to improving financial inclusion, to increasing supply chain resiliency. The FICO® Score, used by 90% of top US lenders, is the standard measure of consumer credit risk in the US and has been made available in over 40 other countries, improving risk management, credit access and transparency.

Learn more at <https://www.fico.com>