

THE TOP 10 CREDIT DO'S & DON'TS DURING THE LOAN PROCESS

Good credit is critical when it comes to obtaining the best interest rates and terms on a mortgage. Here are the top 10 do's and don'ts when looking to secure a mortgage.



1. **Don't Apply For New Credit.** Every time that you have your credit pulled by a potential creditor or lender, you can lose points from your credit score immediately.
2. **Don't Pay Off Collections or "Charge Offs."** If you want to pay off old accounts, do it through escrow, making sure that the debt is yours. Request a "letter of deletion" from the creditor.
3. **Don't Close Credit Card Accounts.** If you close a credit card account, it may appear that your debt ratio has gone up. Closing a card will affect other factors in the score, including credit history.
4. **Don't Max Out or Over Charge Credit Card Accounts.** Try to keep your credit card balances below 30 percent of their limit during the loan process. If you pay down balances, do it across the board.
5. **Don't Consolidate Your Debt.** When you consolidate all of your debt onto one or two credit cards, it will appear that you are "maxed out" on that card and you will be penalized.
6. **Don't Do Anything That Will Cause A Red Flag To Be Raised By The Scoring System.** This includes adding new accounts, co-signing on a loan or changing your name or address with the bureaus.
7. **Do Join a Credit Watch Program.** Then, you may check your own credit reports regularly (you won't get dinged for a "hard" inquiry). Plus, if something unexpected does show up, you can address it promptly.
8. **Do Stay Current On Existing Accounts.** Like your mortgage and car payments, one 30-day late notice can cost you.
9. **Do Continue To Use Your Credit As Normal.** Red Flags are raised easily with the scoring system. If it appears that you are changing your pattern, it will raise a red flag and your score could go down.
10. **Do Call Your Loan Officer.** Your loan officer may be able to supply you with the resources you need to stop any derogatory reporting to the bureaus. Ask for details.

Call us today to see how we can help.

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