

Your Credit History

Lenders see your credit history as a reliable predictor of repaying your mortgage on time as agreed. You should protect your credit just as you would protect your good name. A damaged credit history can keep you from homeownership.

When you apply for a mortgage a lender will order a credit report from one of three credit bureaus: Equifax, Experian, and Trans Union. A credit report will give a history of your credit. It will show past loans, outstanding credit balances, how you make your payments, types of credit accounts, delinquent accounts, foreclosures, bankruptcy, judgments, liens, and collection accounts.

Lenders also look at your FICO credit score. FICO stands for the Fair and Isaac Company who developed the scoring system. The score is computer generated based upon information about your payment history. You get points based on how much you owe, the length of credit history, new credit, and your credit mix. FICO scores range from 400 to 900 points. The higher the score, the better your credit. You can go to www.myfico.com to learn about your score and ways you can improve it.

To obtain a copy of your credit report or to report problems with the accuracy of your credit report, go to www.equifax.com, www.experian.com, or www.transunion.com.

If your credit gets in the way of qualifying for a mortgage, your lender can help you devise a strategy to mend your credit and obtain a mortgage at a later time