

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 some credit do's and don'ts when looking for a mortgage.



Do Stay Current On Existing Accounts. One 30-day notice can cost you.



Do Continue To Use Your Credit As Normal. If it appears you are changing your pattern, it will raise a red flag and your score could go down.



Do Call Your Loan Officer Below. Call before making any address or credit changes that may affect your score.



Don't Apply For New Credit. Every time you have your credit pulled by a potential creditor or lender, you can lose points from your credit score. This includes co-signing for a loan.



Don't Pay Off Collections Or "Charge-Offs". If you want to pay off old accounts, do it through escrow. Request a "letter of deletion" from the creditor.



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.



Don't Max Out Or Over Charge Credit Card Accounts. Try to keep your credit card balances 30% below their limit during the loan process. If you pay down balances, do it across the board.



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.

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