



10 Credit Tips When Applying for a Mortgage

Your credit is critical when it comes to obtaining a lower interest rate and favorable terms on a mortgage. Below are 10 credit tips to review when applying for a mortgage:

- 1 Keep Non-Mortgage Credit Inquiries to a Minimum:** While it's important to monitor your credit score, avoid too many credit inquiries for accounts like auto finance or credit cards.
- 2 Stay Current:** Even a single late payment within the last 30 days surrounding your application can negatively impact your application.
- 3 Keep Balances Low:** Try to keep your credit card balances at least 30% below their overall limits. Maxing out credit cards affects your overall available credit.
- 4 Establish New Accounts as Needed:** New credit can negatively affect your credit score. If possible, do not open new accounts for 2-3 months before applying for your mortgage. Also, avoid consolidating balances as this can impact available credit.
- 5 Leave Unused Credit Alone:** Don't close any existing accounts. Your available credit makes up a significant percentage of your credit score, even if those accounts aren't currently in use.
- 6 Be Careful About Resolving Past-Due Accounts:** Speak to your loan officer before you pay off any past-due accounts during the application period.
- 7 Pay Off Accounts in Collections with Escrow:** If you must pay off a "charge-off," do so via escrow. Your loan officer can explain the details of this process.
- 8 Get Expert Help:** A credit-repair company (or a financial advisor, tax professional, or attorney) may be able to help you eliminate any errors on your credit score or resolve delinquent accounts. Ask your loan officer for recommendations.
- 9 Credit Score:** You should always monitor your credit score for unexpected changes. Your loan officer will be happy to go over your tri-merge credit score and its impact on your mortgage options.
- 10 Talk to Us:** Your loan officer is here to help. If you're planning on changing addresses or making any credit-related decisions, let us know first!



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