

Credit Dos and Don'ts

Good credit is critical to obtain the best interest rate and terms on a mortgage.

DO

Do stay current on existing accounts

One 30-day late notice can compromise your ability to be approved.

Do continue to use your credit as normal

Changing your pattern will raise a red flag and can lower your credit score.

Do call your mortgage loan professional first

If you have any questions or concerns, always contact your mortgage professional.

DON'T

Don't apply for new credit

Every time you have your credit pulled by a potential creditor or lender, you will lose points from your credit score. This includes co-signing for a loan or applying for new credit.

Don't payoff collections or "charge-offs"

If you want to pay them off, do it through escrow at closing.

Don't have a friend or relative pay for anything related to the purchase of the home

Gifts are only allowed under specific lending guidelines and must be documented. This includes your appraisal, earnest money, down payment, etc.

Don't max out credit cards

Do not use more than 30% of your available credit limit during the loan process. If you pay down balances, do it across the board.

Don't transfer money between accounts

Unless receiving complete documentation from your bank itemizing all transfers, don't transfer money.

Don't keep your cash in a safe or overseas account

If you plan to use these funds as a down payment, inquire about how and when would be the best time to put funds into your U.S. bank account if needed.

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 your credit scores will suffer.

Don't withdraw or deposit large sums of money

Unless absolutely necessary, don't withdrawal or deposit large sums into your checking or savings accounts.

Don't give your personal information to anyone else who might run your credit report

Be protective of your credit while purchasing or refinancing your home. Additional credit inquiries will hurt your credit scores.

Don't close credit card accounts

Closing a credit card account negatively impacts your credit history.

Don't make career moves

Don't change jobs while obtaining mortgage financing. Should an opportunity arise, discuss the details with your mortgage professional.

Don't let bank accounts go in the red

Any accounts with insufficient funds cannot be used. Be sure to keep all accounts in good standing.

Contact us today to learn more!



Steven McGilbray

Branch Manager/VP of Mortgage Lending
c: 832.334.8131 o: 713.396.5738
steven.mcgilbray@rate.com
guaranteedrate.com/StevenMcGilbray
2100 West Loop S 8th Floor, Office 801 - Houston, TX 77027



MeLisa Minter

MBA, Broker Associate, SFR
c: 469.766.7379 o: 281.280.8675
melisa@homesmint2be.com
http://www.homesmint2be.com
1035 Clear Lake City Blvd. - Clear Lake City, TX 77062



License: 0568213