CREDIT SCORE

CREDIT HISTORY COUNTS:

REVIEWING AND BOOSTING YOUR CREDIT SCORE.

You've found the perfect home and dream about making it your own, only to discover that your credit history may hinder your big plans. How much do you owe on...credit cards, car loans, student loans and other miscellaneous debt? Your credit report is seen as a good indicator about your ability to repay your financial obligations when considering your mortgage application. Having a keen sense about your personal finances and understanding how lenders perceive your status will greatly benefit you in the application process.

Credit scores matter:

Your credit score will play a key role in securing the most attractive mortgage terms. By staying on top of your credit, you could increase your qualified loan amount, lower your closing costs and secure more affordable rates, which will award you with lower monthly payments.

Credit score ranges:

Check annually:

Think of your credit score as a snapshot view of your ability to pay off your financial debt. You want to make sure that your credit report reflects you and your financial obligations accurately. Knowing what is on your credit report and verifying that it is correct is a great advantage throughout the application process. A free annual credit report is available at annualcreditreport.com.

Errors, Fraud and Identity Theft:

No one knows what should not be on your credit report better than you and you should review your credit report thoroughly, reporting any discrepancies. Because the terms of your mortgage loan rely heavily on your credit history, errors may result in less that optimal interest rates or even delay your home buying goals. Report errors quickly by notifying the credit reporting agencies in cases of fraud. Regularly monitoring your credit history is a great way to prevent fraudulent activity and identify theft.

Bankruptcy, Foreclosure, and Short Sales

We know that credit history may not always be perfect and that is why Mortgage Center has specific programs to help you get back on track. Our team's objective is to help you with your home buying dreams and we are committed to working with you towards your goals. Our industry expertise will help you in taking the next steps towards home ownership. Mortgage Center generally requires a period of two to seven years before you can qualify for a mortgage following a personal bankruptcy, foreclosure, or short sale of your residence. Bankruptcy cases typically need a four year waiting period, while foreclosures and short sales require a seven year waiting period. Short sales may be reduced to a two year period when accompanied by a 20% down payment. During the waiting period, you should re-establish your credit history with new loans and lines of credit. Contact a Mortgage Center expert today to learn how we can help!

GreenPath Debt Solutions

Mortgage Center has partnered with GreenPath, Inc. to offer you access to financial education and counseling services. The following are a few of the services that are offered:

- Debt Counseling and Coaching
- Debt Management Program
- Credit Report
- Financial Education
- Housing & Bankruptcy Counseling

For more info, call **888-893-2715** or visit **greenpath.com.**

Tips to boost your credit score:

Your credit score changes when new information is reported by your creditors. When you manage your credit responsibly, your score will improve over time. Below are some ways to improve your credit score:

Pay your bills on time.
Delinquent payments and collections can hurt your score.

Keep balances low on credit cards.
High debt can hurt your score.

Pay off debt rather than moving it between credit cards.
The most effective way to improve your score in this area is to pay down your revolving credit.

Apply for and open new credit accounts only when you need them.

Check your credit report.
Review it regularly for accuracy and contact the creditor and credit reporting agency to correct any errors.

If you have missed payments, get current and stay current.
The longer you pay your bills on time, the better your score.

Ready to apply? Call a mortgage loan expert today at **800.353.4449.**

MORTGAGE CENTER

Taking a closer look:

Inquiries

Your credit report lists all inquiries made by potential lenders in the previous 90 days. If your report indicates that recent inquires took place, you must provide either a written, signed letter confirming that you have not obtained new credit or, if additional credit was obtained, you must provide verification of that debt. Your new monthly payment will be considered when qualifying you for your mortgage loan.

Disputed Accounts

If your credit report lists an account that was disputed by you, it may be considered a credit risk. Mortgage Center may require that you resolve the dispute with the credit bureaus before proceeding with your mortgage application. Depending on the nature and payment history of the account, your credit score may drop. In this case, Mortgage Center would need to obtain a new credit report once the account is no longer reported as disputed.

Judgments, Garnishments, Liens, and Past Due Accounts

If your credit report lists an unsatisfied judgment, garnishment, lien or past due account, you will need to provide evidence that the account is satisfied and/or current. You must also verify that you have an acceptable source of funds to satisfy these obligations.

Collection and Charge-off Accounts

- For one-unit, principal residence properties, you are not generally required to pay off outstanding collections or charge-offs—regardless of the amount.
- For two- to four-unit owner occupied and second home properties, collections and charge-offs totaling more than $5,000 must be paid in full prior to closing. You must provide evidence that the account is satisfied, and verify that you used an acceptable source of funds to satisfy the obligation.
- For investment properties, individual accounts equal to or greater than $250 and accounts that total more than $1,000 must be paid in full prior to closing. You must provide evidence that the account is satisfied, and verify that you used an acceptable source of funds to satisfy the obligation.

Unreported Debts

If you have a mortgage, loan and/or land contract that is not reported on your credit report, you will need to provide evidence that the account has not been past due by two or more payments in the last twelve months. We will need a twelve month payment history from the creditor and/or twelve months consecutive cancelled checks to document this requirement.