

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 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 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 close credit card accounts

Closing a credit card account negatively impacts your credit history.

Don't payoff collections or "charge-offs"

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

Don't transfer money between accounts

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

Don't withdraw or deposit large sums of money

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

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.

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 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 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.

Contact me today to learn more!



Stephen Kulisek
VP of Mortgage Lending
50 Broadway
Hillsdale, NJ 07642

Let's get started

O: 201.356.4389 C: 201.780.1055
www.GRARate.com/StephenKulisek
Stephen.Kulisek@grarate.com