

TIPS FOR BOOSTING YOUR FICO SCORE

It's no secret that a solid credit score gives you more options when applying for a home loan. Here are some tips to help you increase your FICO score before applying:

CHECK YOUR CREDIT REPORT

Without knowing what's on your report, you won't have a solid understanding of what to work on. This will help you dispute errors and boost your credit score. Thanks to the FACT Act of 2003, you're entitled to a free credit report from the three major credit bureaus.

PAY DOWN EXISTING DEBT

Paying down your existing debt helps boost your credit by lowering your DTI (Debt-to-Income) Ratio. Simply put, it's a measure of how much you owe versus how much you make. Lowering unsecured debt or eliminating it - if possible - can help you become a more attractive applicant.

AVOID CLOSING ACCOUNTS (AND OPENING THEM TOO SOON)

While having too many credit lines can hurt your chances at a mortgage, lenders want to see some credit utilized. That's why paying down existing debt is so important. Opening or closing accounts just before you apply could accidentally increase your credit utilization. An alternative is increasing your credit limits, but be careful. Recent credit hits or financial setback could lead your bank or credit union to lower your credit instead.

PAY YOUR BILLS ON TIME

Late payments or letting bills go to collections can easily tank your credit score. Pay on time and remember to check your credit reports to ensure they are free of errors.

APPLY FOR CREDIT AS NEEDED

Keep your lines of credit and debts to a minimum. The last thing you want to do is over-extend yourself.

GENERAL TIPS

- Keep your existing credit card accounts
- Avoid maxing out/overcharging credit cards
- Keep your current job while applying
- Don't consolidate card debt into 1 or 2 cards
- Pay off collections/judgments/liens reported within one year
- Avoid large purchases, like cars or home electronics
- Don't make large deposits into your accounts

CONTACT ME TODAY!