

IMPORTANT TIPS: WHAT TO DO & NOT DO DURING YOUR LOAN PROCESS

*** VERY IMPORTANT INFO: Please note that a second credit report may be pulled before your loan closes to verify that you have not made any new purchases, run up your credit balances, or acquired new debt. If you do any of the above, your loan may be cancelled.

DON'T APPLY FOR NEW CREDIT OF ANY KIND If you receive invitations to apply for new lines of credit, don't respond. If you do, that company will pull your credit report and this will have an adverse effect on your credit score. Likewise, don't establish new lines of credit for furniture, appliances, computers, cars, etc.

DON'T PAY OFF COLLECTIONS or DEBT BALANCES Once your loan application has been submitted, don't pay off collections unless we specifically ask you to in order to secure the loan. We will advise you step-by-step in regard to pay off.

DON'T CLOSE CREDIT CARD ACCOUNTS If you close a credit card account, it can affect your ratio of debt to available credit which has an impact on your credit score. If you really want to close an account, do it after you close your mortgage loan.

DON'T MAX OUT OR OVER CHARGE EXISTING CREDIT CARDS Running up your credit cards is one of the fastest way to bring your score down. Once you are engaged in the loan process, try to keep your credit cards below 30% of the available credit limit.

DON'T RAISE RED FLAGS TO THE UNDERWRITER * critical * Don't co-sign on another person's loan, or change your name and address. The less activity that occurs while your loan is in process, the better it is for you.

DO STAY CURRENT ON EXISTING ACCOUNTS - Late payments on your existing mortgage, car payment, or anything else that can be reported can cost you dearly. One 30-day late payment can cost anywhere from 30 to 75 points on your credit score.

DO CONTINUE TO USE YOUR CREDIT AS YOU NORMALLY WOULD - Red flags are easily raised within the scoring system. If it appears you are diverting from your normal spending patterns, it could cause your score to go down. For example, if you've had a monthly service billed to the same credit card for the past three years, there's really no reason to drop it now. Again, make your changes after the loan funds.

DO STAY EMPLOYEED changing jobs in the middle of the loan process can kill your loan. Employment is typically verified in the beginning of the loan process and again at the end before closing If you are planning to change jobs, please contact us so we can guide you.