

# Credit Repair

## Do's and Don'ts

During the mortgage process, it's extremely important to take caution when it comes to your credit.



### THINGS TO DO:

#### Pay all of your bills on time, every time

- Even if your payments are a few days late, this can have a negative impact on your credit score
- Keep your credit card balances low
- If credit card balances every month are greater than 30% of your limits, your score is suffering

#### Get current and stay current if you have missed payments

- The longer you pay on time, the more your score will increase

#### Check your credit report for any errors

- Errors include wrong information in name, address, social security number and employer, information from an ex-spouse, incorrect payment status, wrong notations for closed accounts, problems because of identity theft and more than one delinquent date on an account



### THINGS TO AVOID:

#### Don't close unused credit cards

- Shortening your credit history will lower your credit score. Lenders look at the history of the credit and past payment history to determine your future performance

#### Don't overextend yourself

- High, outstanding debt will affect your credit score and debt-to-income ratio. Keep balances under 50%; under 30% being very beneficial

#### Don't apply for new credit before your mortgage closes

- The lender checks your credit report right before closing. Opening new credit could exceed your debt-to-income ratio disqualifying you for a mortgage



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