

Top 10 Credit Do's & Don'ts During the Loan Process

- **Don't apply for new credit.** Every time you have your credit pulled by a potential creditor or lender, you can lose points from your credit score.
- **Don't pay off Collections or "Charge Offs".** If you want to pay off old accounts, do so through escrow, making sure the debt is yours. Request a "letter of deletion" from the creditor.
- **Don't close credit card accounts.** While it may appear that your FICO score has gone up, closing a card will impact other factors in the score, including credit history.
- **Don't max out or over-charge credit card accounts.** Try to keep your credit card balances below 30% of their 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 into one or two credit cards, it could appear that you are "maxed out" on that card and it may affect your FICO score.
- **Don't do anything that will cause a red flag to be raised by the scoring system.** This includes adding new accounts, co-signing on a loan or changing your name or address with the bureaus.
- **Do join a credit watch program.** You may then check your own credit reports regularly (without any impact on your score). If something unexpected shows up, you can address it promptly.
- **Do stay current on existing accounts.** Like your mortgage and car payments, one 30-day late notice can cost you.
- **Do continue to use your credit as normal.** Red flags are raised easily with the scoring system. If it appears that you are changing your pattern, it will raise a red flag and your score could go down.
- **Do consult your Lender.** A knowledgeable, professional mortgage broker will help you navigate these waters and choose a loan that best serves your needs.



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