

DON'T

DON'T WAIT TO SHOP FOR HAZARD INSURANCE: The moment your offer is accepted, start shopping for insurance. This will give you time to find the best rates and conditions. As soon as you know who the insurance agent is, call your loan consultant with the contact information!

DON'T APPLY FOR ANY NEW CREDIT: Those interest free credit card offers that magically appear in our mailbox. Don't respond. If you do, that company will pull a credit report and this will have an adverse effect on your credit score. Likewise, don't establish new lines of credit for things like furniture, home improvement stores, department stores, etc. Don't allow anyone to run your credit report or give them your social security number. Each time you do you are risking a lower grade before we go to settlement.

DON'T PAY OFF COLLECTIONS OR CHARGE-OFFS: Once you have applied for a loan, don't pay off collections unless the lender specifically requires this payoff as part of the loan approval. Generally, paying off old collection accounts causes a drop in the credit score. If your lender wants these accounts cleared off, they will have it done prior to closing your loan.

DON'T CLOSE CREDIT CARD ACCOUNTS: You have an account that has a zero balance and you want to close the account. If you close a credit card account, it can affect your ratio of debt to available credit which may have a impact to your score of up to 30%. Have patience and close the account after your loan has closed.

DON'T MAX OUT EXISTING CREDIT CARDS: Charging up your credit cards is one of the quickest ways to lower your credit score. Once you have applied for a loan, try to keep your credit cards below 30% of the available credit limit.

DON'T CONSOLIDATE DEBT: Consolidating your debt will change your ratio of debt to available credit and could possibly lower your credit score.

DON'T CHANGE EMPLOYERS, MOVE OR CHANGE YOUR ADDRESS: Most lenders will pull a updated credit report right before closing your loan. Listed on the credit report will be your employer information as well as your addresses. Any change in employment will affect your entire loan. Changing your address will put up a red flag to the underwriter. Don't even change your mailing address to a new PO Box as this will also be questioned.

DO

DO KEEP IN TOUCH WITH YOUR LOAN CONSULTANT: If you receive anything from your creditors that could potentially affect your credit score, always call your loan consultant to get their advice on how you should handle the information. It is always better to ask your consultant then to find out later that your decision affected your credit and the outcome of the loan.

DO WATCH YOUR CREDIT: There are many of these programs online but you could also check your local bank, credit union or credit card company. They may be able to provide you with a free credit watch program that can alert you to any changes in your credit report. Knowing any changes in your credit report can help you to be able to intervene before the underwriter receives the information.

DO STAY CURRENT ON EXISTING ACCOUNTS: We all know that making your payments on time is one of the most important things to do. Late payments on your existing mortgage, loans, credit cards or anything else that can be reported to a credit reporting agency will cost you. One 30-day late payment can cost anywhere from 30-75 points on your credit report.

Borrower

Date

Co-Borrower

Date