

# Sail Mortgage



11269 Perry Hwy., Suite 135, Wexford, PA 15090  
(724) 934-2800  
[www.sailmortgage.com](http://www.sailmortgage.com)

## **Some Credit Score Do's and Don'ts during the loan process.**

When you fill out a credit application, we run a credit report for the underwriter. Each lender and each loan program has different guidelines they must follow. You should not do anything that will have an adverse affect on your credit score while you are in the loan process. We know it's tempting...if you are moving into a new home, you might be thinking about purchasing new appliances or furniture, but this is really not the right time to go shopping with your credit cards. You'll want to remain in a stable position until the loan closes and give us the opportunity to help you lock in the best interest rate we can possibly get for you.

**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, etc.

**Don't** pay off collections or charge-offs- once your loan application has been submitted, don't pay off collections unless the lender specifically asks you to in order to secure the loan. The lender is only looking at the last two years of activity.

**Don't** close credit card accounts – if you close a credit card account, it can affect your ratio of debt to unavailable credit which has a 30% 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 the fastest way to bring your credit score down, and it could drop up to 100 points overnight. Once you are engaged in the loan process, try to keep your credit cards below 30% of the available credit limit.

**Don't** consolidate debt to one or two cards – Once again, we don't want you to change your ratio of debt to available credit. Likewise, you want to keep beneficial credit history on the books.

**Don't** raise red flags to the underwriter – 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 – 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.

**Do** call your loan consultant – if you receive notification from a collection agency or creditor that could potentially have an adverse affect on your credit score.