

CAUTION

GOOD CREDIT IS CRITICAL

when it comes to obtaining the best interest rates and terms on a mortgage.



TOP 10 DO'S & DON'TS

when looking to secure a mortgage

1 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 immediately.

2 DON'T PAY OFF COLLECTIONS OR "CHARGE OFFS"

If you pay off old accounts, do it through escrow, making sure that the debt is yours. Request a "letter of deletion" from the creditor.

3 DON'T CLOSE CREDIT CARD ACCOUNTS

If you close a credit card account, it may appear that your debt ratio has gone up. Closing a card will affect other factors in the score, including credit history.

4 DON'T MAX OUT/OVER CHARGE CREDIT CARD ACCOUNTS

Keep credit card balances below 30 percent of their limit during the loan process. If you pay down balances, do it across the board.

5 DON'T CONSOLIDATE YOUR DEBT

When you consolidate all your debt onto one or two credit cards, it appears you are "maxed out" on that card and you'll be penalized.

6 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.

7 DO JOIN A CREDIT WATCH PROGRAM

Then, you may check your own credit reports regularly (you won't get penalized for a "hard" inquiry). Plus, if something unexpected does show up, you can address it promptly.

8 DO STAY CURRENT ON EXISTING ACCOUNTS

Like mortgage & car payments, one 30-day late notice can cost you.

9 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.

10 DO CALL YOUR LOAN OFFICER

Your loan officer may be able to supply you with the resources you need to stop any derogatory reporting to the bureaus. Call for details.

CALL US TODAY



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ARCSTONE
FINANCIAL
MORTGAGE SERVICES

917 Hillhurst Ave | Los Angeles, CA 90027
NMLS#: 344236 | CalBRE#: 01468445
arcstoneinc.com | 323.665.5000

