

Credit Report Secrets

When you apply for a mortgage, All Island Mortgage will review your income, liabilities, and most importantly, your credit report to determine if you qualify. Even small report inaccuracies can hinder your ability to get the home loan you need and deserve. And credit report inaccuracies are more common than you might imagine.

This report will teach you:

- What All island Mortgage looks for on a credit report
- How you can improve your credit score
- How to know if you have inaccurate information on your credit report
- How to obtain a free credit report

Credit Secret # 1 – Don't Hide Anything

All Island Mortgage, hopefully your mortgage broker, is your friend. You are the client, and we are on your side. Because of this, you need to be completely honest and openly discuss past financial difficulties. This will make it easier for us to gauge your situation and provide you with the best loan for your needs. If you hold back information and we find out later, it could greatly affect the speed and difficulty of obtaining your loan. Remember, honesty is the best policy.

Credit Secret # 2 – Bad Credit is OK

Bad credit is OK in many cases. We are not worried as much about the past as we are of your ability to repay the mortgage loan in the future. Basically, if you've had credit problems in the past, we will look at those problems and ask the following questions:

- How far in the past are your credit problems? (i.e., if you had multiple delinquencies on your credit card this year, you might not be able to obtain a loan)
- If your credit problem is in the past, is it likely to recur again?
- Is whatever it is that caused your credit problem gone, or is it still present today?
- How good is the probability that you will pay your bills faithfully every month from now on?

So, if you've had bad credit, don't let it keep you from applying for a loan. Even in the worst case scenario, a good investor will never say no. That's because, it's not a question of IF you qualify for a home loan; it's a matter of WHEN you can qualify. This is why you should apply, no matter what your credit situation.

Credit Secret # 3 – Improve Your Score by Paying on Time

There is no substitution for paying your bills on time. Even if you have made payments late in the past, make every effort to pay on time every month, especially in the 12-month period leading up to your loan application. This can dramatically affect your credit score.

Credit Secret # 4 – How Accurate is YOUR Credit Report

Did you know that more than half of American adults have inaccurate or outdated information on their credit reports? These errors can cost you thousands of dollars and could even keep you from getting approved.

How much incorrect information appears on your credit report? It is imperative that you get a copy of your credit report as soon as possible so you can find out.

All Island Mortgage has the ability to evaluate your credit report in a “what if simulator”, we can adjust balances on the credit report for the purpose of seeing how much higher your score would increase if the balance was actually adjusted. We showed one of our clients that by paying off just one of his credit cards with a \$550 balance, it raised his score by 29 points. All Island Mortgage performs this service free of charge. There is only a charge if you decide to go with our recommendation and actually have the credit bureaus notified and the score adjusted. This can be completed in 7 to 10 business days, by All Island Mortgage, all we need from you is proof of payment made for each account.

Credit Secret # 5 – Don’t Touch Those Accounts

Old Accounts: If you have old, unused accounts on your credit report, don’t close them before applying for your mortgage loan. One of the factors that affect your credit score is the ratio between your credit limits and how much you owe. Closing accounts will make this ratio go up, which can severely impact your credit score.

New Accounts: Don’t open any new accounts in the months preceding your mortgage loan application. New accounts affect your credit score in a negative way for a number of reasons. The main reason is that every time you open a new account, they are required to pull a copy of your credit report. If you pull a credit report too many times in a short period, this will make your credit score decline. Just say no to new accounts...

25% RULE: It is much better to have all your credit card debt spread out over many cards than just a few. If you keep the balances on your credit cards at 25% or under the maximum amount allowed your credit score will be dramatically higher than the same amount of debt on fewer cards that are all above that 25% amount.

Credit Secret # 6 – Know Your Credit Score

When someone speaks about your credit score, they are talking about your three-digit FICO score. This score ranges from 400-850. The higher the number, the better. It is important for you to regularly check your credit score. This is why we offer a FREE credit report. If you pre-qualify for your home loan with us, we'll give you a copy of your credit report and score free. And unlike those FREE credit report offers you see on TV, there is no obligation to sign up for any programs.

Free Pre-Qualification and Credit Report

All Island Mortgage offers a FREE Pre-Qualification and Credit Report. By taking advantage of this FREE offer, you will receive the following:

- FREE Credit Report (Valued at \$14.50)
- FREE Pre-Approval (learn how much you qualify for...FREE)
- FREE Home Buyer's Coaching Session (ask our coach your questions...FREE)

There is no obligation, no fine print and it's truly 100% FREE