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SMARTER HOME FINANCING STARTS HERE

Home Financing DOs and DON'Ts

Unexpected surprises are the kryptonite of successful home financing. Until an application for home financing is closed, and the purchase funded, any unexpected or previously undisclosed change in personal or financial circumstances can bring the entire process to a screeching halt. If your goal is to successfully obtain home financing pay very close attention to the following list of DOs and DONTs. Let's begin with the DONTs.

THE DON'Ts

1. **DO NOT APPLY FOR NEW CREDIT OF ANY KIND**

   Have you received an invitation to open a new line of credit? Throw it out. Do you have your heart set on a new car and the dealer is running a special this month? Put the purchase on hold until after your home financing is finished or you may find yourself living with a shiny new car parked in your old driveway.

2. **DON'T PAY OFF COLLECTIONS OR CHARGE-OFFS DURING FINANCING**

   Always check with your loan officer first to determine if your plan might have an impact on your ability to obtain financing.You may be instructed to wait until after your home financing is complete to pay off those accounts.

3. **DON'T RUN UP THE BALANCES ON EXISTING CARDS**

   Keep your card balances below 30% of their available limits as much as possible and practical. Running up your card balances before or during financing is a quick way to drop your credit score like a rock—as much as 100 points overnight. That could have a very negative impact on your ability to obtain financing.

4. **DON'T CONSOLIDATE DEBT ONTO FEWER CARDS**

   Again, just don't do it without first discussing the plan with your loan officer. Seemingly innocuous activities such as debt consolidation can easily have a negative impact on your financial profile and jeopardize your financing. Why? Because it represents financial mismanagement.

5. **DO NOT CLOSE ACCOUNTS**

   Closing existing credit accounts might seem like a great idea, but it is a decision that can have unanticipated consequences and negatively affect your financing. Speak to your loan officer before closing any type of account.

6. **DON'T RAISE RED FLAGS**

   Activities that might seem ordinary and harmless such as changing your name, your address, or even co-signing another person's loan can jeopardize your financing. You guessed it—speak to your loan officer before making even the most minor of changes to your personal and financial circumstances.

7. **DON'T MAKE ANY ADJUSTMENTS IN YOUR ASSETS**

   It might seem harmless to change investments, move positions, close accounts, or open new ones. If you are hoping to obtain financing soon or you are in the middle of the process right now, adjustments to your assets can derail your financing. Don't do it without running it by your loan officer first.

8. **DON'T MAKE LARGE, UNEXPLAINABLE DEPOSITS INTO BANK ACCOUNTS**

   Unless large, out-of-the-ordinary deposits can be properly documented (e.g., as gifts) you will have to prove that the funds originated from acceptable sources—acceptable by regulatory standards, not yours. Avoid depositing large sums of money into your accounts until you speak to your loan officer to determine if the funds will negatively affect your financing.

9. **DON'T MAKE CHANGES WITH YOUR EMPLOYMENT OR INCOME**

   Employment stability plays a major role in the success of your financing. Quitting or changing jobs, or even positions within the same company can put your home financing at risk. Whether the change was planned or unavoidable, inform your loan officer immediately so s/he may assess the impact.

THE DOs

1. **DO STAY CURRENT ON EXISTING ACCOUNTS**

   Late payments can cost you dearly. A single 30-day late can easily lower your credit score by 30-75 points. or render you ineligible for specific loan programs and products. Make all of your payments on-time. However, speak with your loan officer before making any payments that are scheduled within two weeks of closing.

2. **DO CONTINUE TO USE YOUR CREDIT AS YOU NORMALLY WOULD**

   Credit agency scoring systems can detect if you divert from normal spending patterns. Unusual changes in your spending patterns could cause your score to go down.

3. **DO DISCLOSE YOUR COMPLETE FINANCIAL PROFILE**

   Always provide your loan officer with a complete and accurate overview of your personal financial circumstances. Leaving out (or refusing to provide) details such as information about recently acquired debt or the fact that you plan to quit your job next week will only come back to bite you. We guarantee it.

4. **DO COMMUNICATE ANY CHANGES TO YOUR EMPLOYMENT, ASSETS, CREDIT/DEBT OR ANY ASPECT OF YOUR CIRCUMSTANCES.**

   We began by explaining that even the most unexpected of changes can easily derail your financing, especially if it is not dealt with in a timely fashion. It is always in your best interest to immediately contact your loan officer if you experience any changes to your current circumstances. Your loan officer will quickly determine the impact and identify your options, if any, to get your home financing back on track.