



Know the Score: Three Steps to Better Credit

If you are looking to buy, invest in, or refinance real estate now or in the coming months, your credit is going to play a more significant role in today's tight-fisted credit environment than it has in the past. It's that simple. Would-be borrowers need to address any and all credit issues now to avoid having to pay for it later.

But, here's the kicker. Nearly 80% of all credit reports contain errors of some kind. Recent studies also indicate that about one-fourth of these reports contain mistakes so egregious that applicants could actually be denied credit! Don't let this happen to you.

Step One: Get Your Report

The three main credit bureaus, Equifax, Experian®, and TransUnion®, are required by law to provide you with a free copy of your credit report once every 12 months. To request your free copy (one from each company) visit AnnualCreditReport.com or call 1-877-322-8228. (Note: free credit reports do not include credit scores. Scores can either be purchased online or pulled by your mortgage professional.)

While you're online, be sure to visit www.optoutprescreen.com as well. This will help you avoid the hassle of becoming a "trigger lead" and being bombarded with unsolicited mortgage offers, and make life a lot easier throughout the mortgage process.

Step Two: Dispute Inaccuracies

Study your credit reports and make sure everything is accurate. If you do find any discrepancies, you can legally dispute mistakes or outdated items for free. Once notified of a mistake on your report, a credit bureau has thirty days to investigate and respond. If the information can't be confirmed, then the item should be removed. (If you'd like more information on this process, give us a call. We'll send you our Sample Dispute Letter to help get you started).

Step Three: Meet With Your Mortgage Professional

Now that the information on your report is accurate, what if there are still some items in your credit history you would rather forget about? All is not lost. For some, small changes to your credit profile could yield big results that could save you thousands of dollars. For others, enlisting the services of a professional credit improvement company may be required. This important process can take up to six months or more, so don't wait. Give us a call. An experienced mortgage professional can share other insights into the ins and outs of credit scoring and credit repair.