

Simple Tips To Improve Your Status With Mortgage Lenders

Owning a home is a dream shared by millions of people. Investing in property that can be owned within 15 to 30 years of closing on the home makes more financial sense to many than continuing to rent and having little to show for it over time. The first step to take when planning to enter the real estate market is to ensure that your finances are in order. Various factors will influence individuals' ability to secure a mortgage, and these are some ways to make yourself more attractive to prospective lenders.

• **Check your credit report.** Lenders will check your credit report before deciding if you are a risk or a safe bet for a mortgage. So it makes sense to check your credit report prior to speaking with a lender. The Federal Trade Commission says everyone can get one free credit report a year from each of the three credit reporting bureaus. If you split it up, you can get a credit report every four months so you are aware of anything that may adversely



affect your ability to get a mortgage loan. A credit (FICO) score that's too low may disqualify you from a mortgage. Each lender sets its own thresholds when they price and approve loans, but the higher your credit score, the better.

• **Improve credit standing.** One way to improve your status in the eyes of lenders is to pay down credit card balances to reduce your credit utilization ratio. A high utilization occurs when there is a high balance in

relation to the credit limit, says Business Insider. Also, it may be wise to avoid any credit inquiries through new credit card applications for several months before applying for a loan, as these inquiries can affect your score.

• **Be realistic about what you can afford.** Do your homework and determine your target interest rate and monthly payment as well as what down payment you can afford. It will help you research potential lenders

and provide an idea of what may be offered to you.

• **Pay bills on time.** Paying bills promptly not only helps you avoid late fees, but also positively affects your credit. The financial resource The Mortgage Reports urges diligence when paying rent, as late rent payments can bar you from getting a mortgage. Lenders look at rent history as the biggest indicator of whether you'll make mortgage payments on time. These are some of the ways

to make a prospective home buyer look better in the eyes of mortgage lenders. Individuals can speak with financial professionals about what else they can do to improve the possibility of securing mortgages at the best rates possible.

Did you know?

Homeowners should give due consideration to whether or not plants are considered invasive species before introducing new plants on their properties. According to the National Ocean and Atmospheric Administration, invasive species of plants can lead to the extinction of native plants and animals. Invasive plant species also can reduce biodiversity and cause significant fundamental disruptions to local ecosystems. Though non-native plants are often cherished for their unique looks, homeowners planting new gardens or supplementing existing gardens with new plants are urged to plant only native species. Such an approach benefits plants and also local wildlife that depends on native plant species for food and cover.