



## 10 CARDINAL RULES *for Home Buyers*

*Qualifying for a loan is based on a paper trail showing your credit score and history, income and assets, debts and proof of employment. Here are 10 cardinal rules that could affect those things.*

### **1. DO NOT CHANGE JOBS, BECOME SELF-EMPLOYED OR QUIT YOUR JOB**

Current employment as well as past employment is imperative.

### **2. DO NOT BUY A CAR, TRUCK OR VAN (OR YOU MAY BE LIVING IN IT!).**

Part of qualifying for a loan depends on your debt to income ratio. So, taking on new debt can affect how much you can afford and/or qualify for.

### **3. DO NOT BUY FURNITURE.**

See above statement! Don't buy anything on credit!

### **4. DO NOT USE CHARGE CARDS EXCESSIVELY OR LET YOUR ACCOUNTS FALL BEHIND.**

This again, can affect your debt to income ratios. So, wait until after you close escrow to buy anything! Also, make sure your cards and bills are paid on time. Credit card companies can report to the credit bureaus if you are 30 or more days behind. This can severely and directly affect your credit score, which can in turn, disqualify you from qualifying for a loan on a home.

### **5. DO NOT SPEND YOUR MONEY YOU HAVE SET ASIDE FOR CLOSING.**

Buying a home cost money! Some programs can move you in for no money, but if your loan officer tells you to save money for down payment and closing costs, do it and don't spend it. Lenders verify how much money you have in your accounts and you will need to bring a cashier's check to closing (hopefully made out to Trinity Title of Texas).

### **6. DO NOT OMIT DEBTS OR LIABILITIES FROM YOUR LOAN APPLICATION.**

You can try, but once your loan officer pulls your credit, it will show up. So, be honest on your loan application and disclose all of your debts.

### **7. DO NOT ORIGINATE ANY INQUIRIES ONTO YOUR CREDIT.**

Basically, do not apply for any kind of credit cards or in store credit.

### **8. DO NOT MAKE LARGE DEPOSITS WITHOUT FIRST CHECKING WITH YOUR LOAN OFFICER.**

All of your funds in your accounts must be verified and from a credible source.

### **9. DO NOT CHANGE BANK ACCOUNTS DURING THE LOAN PROCESS.**

Again, all of your funds for closing must be verified.

### **10. DO NOT CO-SIGN ON A LOAN FOR ANYONE.**

Co-signing for someone helps them purchase something, however it shows as debt against you. Even though you are not the person paying the bill, it still shows up your credit as debt against you.