

# TIPS TO REMEMBER

## DURING THE HOME LOAN PROCESS



Between the day you submit an application and your funding date, there may be a month or two (or more, if you are buying new construction). Here are some things to remember once you begin the process:

### 1. MAKE ALL PAYMENTS ON TIME

If you're not sure when the payments are due, consider setting up an auto-pay or reminder. **An overdue payment can seriously impact your score** and may take months to recover - not what you want in the middle of buying or refinancing a home. Late housing payments could affect your approval, so make sure you can document the most recent 12 months have been consistently paid.

### 2. AVOID CHANGES TO DEBTS

**Maxing out credit cards, opening new accounts or consolidating debt can all affect your ability to qualify for a mortgage.** If you apply for any credit cards or loans - even co-sign on someone else's account - it can negatively impact your score and the payment would need to be included in your monthly expenses. Don't open or close any accounts during the mortgage process. If you want to pay something off, ask to do it through escrow. Save closing accounts, consolidating debt, or buying that new furniture for after you've funded.

### 3. DON'T DISPUTE ACCOUNTS

**If you send a letter of dispute to the reporting agencies, the account is flagged when your credit is pulled by a lender.** An underwriter usually cannot process the loan until the dispute is removed and the scores are re-pulled, because the scoring models used by the reporting agencies usually don't "see" a disputed account. The underwriter needs the scores to take everything into consideration since the debt might later be found legitimate. Once your loan has funded, you can proceed with the disputation.

### 4. KEEP IN TOUCH

**Call your Loan Officer or real estate professional if you have any questions about how your score credit could affect your in-process mortgage approval.** We want to keep you informed and educated about the steps to homeownership, and look forward to helping you achieve your goals! We can refer you to a professional for advice on improving credit.

### 5. AVOID CHANGES IN EMPLOYMENT

**Your employment is one of the most important parts of qualifying for a loan.** Be sure to stay consistent with your hours. Taking time off, changing positions/rates of pay, and changing jobs can affect your loan approval. Always talk to your Loan Officer before making any changes to your employment.

### 6. DON'T DEPOSIT CASH INTO YOUR BANK ACCOUNT

**Cash deposits generally cannot be sufficiently sourced or used for the purchase of a home** and will require additional questions and documentation for underwriting. It's best to avoid depositing cash to your bank account during the home buying process.

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BEHL



#### Ivan Duarte

Area Sales Manager

NMLS ID# 32559

5323 Millenia Lakes Blvd Suite 300, Office 367  
Orlando, FL 32839

Direct: 407-930-4747

Cell: 321-609-0789

[iduarte@bayeq.com](mailto:iduarte@bayeq.com)

[www.bayequityhomeloans.com/ivan-duarte](http://www.bayequityhomeloans.com/ivan-duarte)

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