

GET THE CREDIT YOU DESERVE

Mortgage applications are being reviewed far more thoroughly now than in the past, and your credit score should be 680 or higher to qualify for the best interest rates. So how do you determine your score, and know you're getting the credit you deserve?

Everyone is allowed one free credit report per year from the three reporting agencies (Experian, Equifax and TransUnion). Review the reports for accuracy and act quickly to correct any errors or omissions.

Approximately 35% of your credit score is based on the timeliness of your payments. Make sure that no late payments older than seven years are still on your report.

If you have paid off loans or credit cards, a zero balance should appear on those accounts. Sometimes, agencies don't properly update those balances after settlement.

15% of your credit score is based on the length of your credit history, so make sure that the opening dates of all your accounts are accurate. Also make sure that the limits on your credit cards are correct, and keep the balances under 50% of those limits. Total debt accounts for 30% of your credit score.

Finally, think twice about closing credit card accounts with zero balances, because this negatively reduces your ratio of "available credit" to your debt. First, get the facts. Then, make corrections. Finally, apply for home financing with confidence!

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