

# CREDIT DON'TS FROM CHASE

**DON'T APPLY FOR NEW CREDIT OF ANY KIND.** If you receive invitations to apply for new lines of credit, don't respond. If you do, that company will pull your credit report and this will have an adverse effect on your credit score. Likewise, don't establish or increase lines of credit for furniture, appliances, computers, cars, etc. Expect that you will have to explain in writing any inquiries that appear on your credit report within 90 days of your mortgage application date.

**DON'T MAX OUT EXISTING CREDIT CARDS.** Running up your credit cards is the fastest way to bring your score down and it could drop up to 100 points overnight. Try to keep your credit cards balances below 30% of the available limit, this will have the most positive effect on increasing your credit score.

**DON'T CONSOLIDATE DEBT TO ONE OR TWO CARDS.** Once again, we don't want you to change your ratio of debt to available credit. Likewise, you want to keep active beneficial credit history on your record.

**DON'T CLOSE CREDIT CARD ACCOUNTS.** If you close a credit card account, it can affect your ratio of debt to available credit which has a 30% impact on your credit score. If you really want to close an account, do it after you close your mortgage loan.

**DON'T RAISE RED FLAGS TO THE UNDERWRITER.** Don't co-sign on another person's loan, or change your name and address. The less activity that occurs while your loan is in process the better it is for you and the less you have to explain.

**DON'T MAKE ANY ADJUSTMENTS OR TRANSFERS IN YOUR ASSET PICTURE.** Don't transfer large amounts of funds or make substantial changes to your asset picture without making sure that you have the ability to show a paper trail of exactly what is happening. Any deposit amounts over \$500 that are other than your normal deposits will be questioned by an underwriter unless the deposit is a documented gift. Ask your lender about the appropriate way to document gifts.

**DON'T MAKE CHANGES WITH YOUR EMPLOYMENT OR INCOME.** Employment stability is a big factor in the underwriting loan process. Quitting or changing jobs can greatly endanger your entire loan approval; remember underwriters are looking for stability. PLEASE INFORM US IMMEDIATELY OF ANY CHANGES TO YOUR JOB OR INCOME.

Compliments of Lynne Billac,  
Chase Private Client Senior Home Lending Advisor

970-948-2453  
lynne.billac@chase.com  
NMLS ID 502305