

# WHAT NOT TO DO WHEN FINANCING A HOUSE



The better your credit score, the better your interest rate and terms on a new mortgage. When you are getting ready to buy a house, it's best to continue using credit as normal. Large purchases and drastic changes to your finances raise red flags among credit reporting agencies. Here are a few things to avoid when getting ready to take out financing on a new house:

**Don't change jobs.** Try not to change jobs while you're in the middle of applying for a home loan, even if the new job provides a larger income. It's best to wait until your loan is approved.



**Don't make any large purchases.** Wait until you are settled in your new home to buy that new car or brand new furniture.



**Don't get behind on bill payments.** The best thing you can do for your credit is simple: pay bills and pay them on time.



**Don't take out any new credit or close any credit card accounts.** Each time your credit is pulled you can lose points on your credit. Closing accounts changes your debt-to-income ratio or can change your credit history, lowering your score.



**Don't move money around without a paper trail, or spend all your savings.** It's best to leave your money where it is, even if it's under your mattress. And, you may need your savings for a down payment or closing costs.

