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THE MORTGAGE-READY CREDIT CHECKLIST

What to Review, Fix, and Avoid Before You Apply

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START WITH A FULL CREDIT REVIEW

Before making changes, you need to know exactly where you stand. Many buyers guess about their credit score or rely on consumer apps, but mortgage lenders often use different scoring models than the ones you see online.

A professional credit review can help identify:

- Your actual mortgage credit score range
- Any late payments or collections affecting approval
- Credit utilization issues
- Accounts that should not be opened or closed
- What can realistically improve before applying

The goal is not to panic over every item. The goal is to understand which issues matter most for mortgage qualification and which steps can have the biggest impact.

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PROTECT YOUR PAYMENT HISTORY

Payment history is one of the most important parts of your credit profile. Even one missed payment close to applying for a mortgage can create issues, especially if it appears on multiple accounts or suggests a pattern of financial instability.

To protect your payment history:

- Set up automatic minimum payments on every account
- Keep due dates organized in one calendar
- Avoid letting small balances become late payments
- Confirm payments are posting correctly each month
- Contact creditors quickly if there is ever an issue

Lenders want to see consistency. A strong payment history helps show that you can manage monthly obligations responsibly, which is exactly what they are evaluating during mortgage approval.

MANAGE CREDIT UTILIZATION CAREFULLY

2

Credit utilization is the percentage of your available credit that you are using. For example, if you have a $10,000 credit limit and a $7,000 balance, your utilization is 70%. High utilization can significantly drag down your score, even if you make every payment on time.

To improve utilization:

- Aim to keep each card below 30% when possible
- Pay down high-balance cards first
- Avoid maxing out any one card
- Keep balances low before statement closing dates
- Do not assume paying by the due date always updates your score immediately

Utilization is one of the fastest-moving credit factors. Lowering balances can sometimes improve your score within a billing cycle, making this one of the most powerful short-term credit strategies.

3

AVOID OPENING OR CLOSING ACCOUNTS WITHOUT GUIDANCE

When preparing to buy a home, it is important not to make credit moves that seem helpful but actually hurt your mortgage profile. Opening a new account can create a hard inquiry, lower your average account age, and increase perceived risk. Closing an old account can reduce your available credit and raise your utilization.

Before applying, avoid:

- Opening new credit cards
- Financing furniture, appliances, or a vehicle
- Closing older accounts with positive history
- Co-signing for someone else
- Making large purchases on credit

Always speak with your lender before changing accounts. What looks like a smart move on paper can create complications during underwriting.

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HANDLE COLLECTIONS & PAST-DUE ACCOUNTS STRATEGICALLY

Collections and past-due accounts can affect your credit score and your ability to qualify, but they should be handled carefully. Not every collection account should be paid immediately without guidance, because some actions may update reporting activity or affect your score differently than expected.

A mortgage professional can help you understand:

- Which accounts are actively impacting your score
- Whether an account needs to be paid before approval
- How collections affect different loan programs
- Whether documentation will be needed
- Which issues may require more time or professional repair support

The key is strategy. Addressing the right accounts in the right order can make a meaningful difference, while guessing can create delays or unnecessary setbacks.

KEEP YOUR FINANCIAL PROFILE STABLE

5

Credit is only one part of mortgage approval. Lenders also look at the full financial picture, including income, debt, savings, and financial behavior. Stability matters because lenders want confidence that your situation will remain consistent through closing.

While preparing to apply, try to avoid:

- Changing jobs without discussing it first
- Making large unexplained deposits
- Moving money between accounts without documentation
- Taking on new debt
- Draining savings before closing
- Missing requested lender documents

A stable financial profile makes underwriting smoother. The fewer changes lenders need to explain, the easier it is to keep your approval on track.

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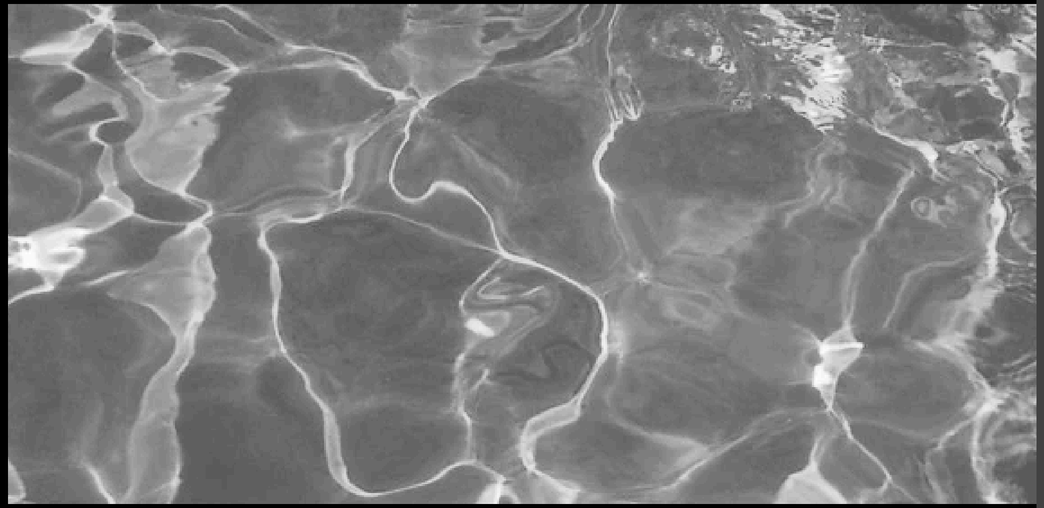
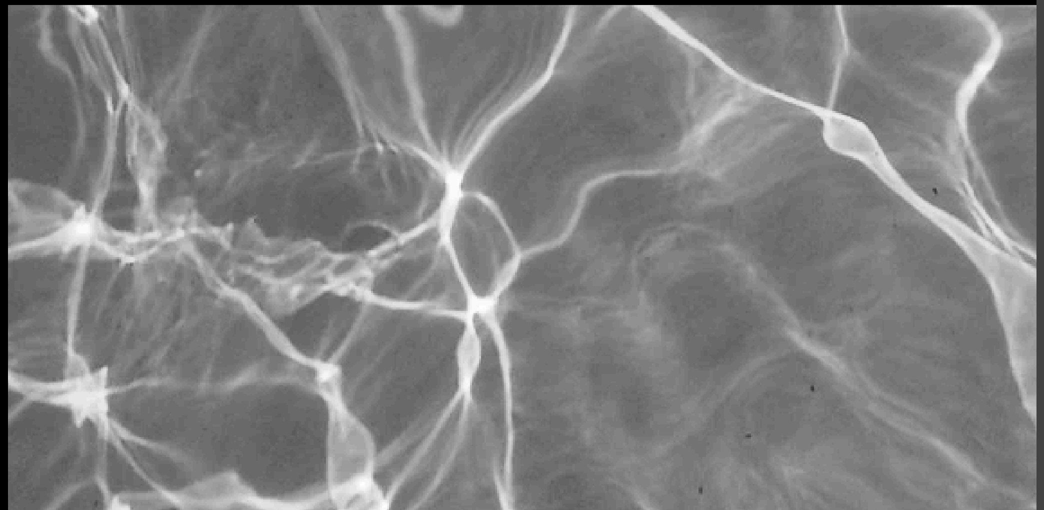


BUILD A MORTGAGE-READY GAME PLAN



The best approach is not just “fix my credit.” It is building a clear plan based on your timeline, score, income, debt, and buying goals. Some buyers need quick utilization adjustments. Others need a longer path to address past-due items, build reserves, or improve debt-to-income ratios.

Your plan should include:

- A realistic buying timeline
- Credit items to address first
- A target monthly payment comfort zone
- A savings goal for down payment, closing costs, and reserves
- A lender check-in before touring seriously
- Clear instructions on what not to do before closing

When you know the path, the process feels less overwhelming. A clear plan turns “I’m not sure if I qualify” into “Here’s what I need to do next.”

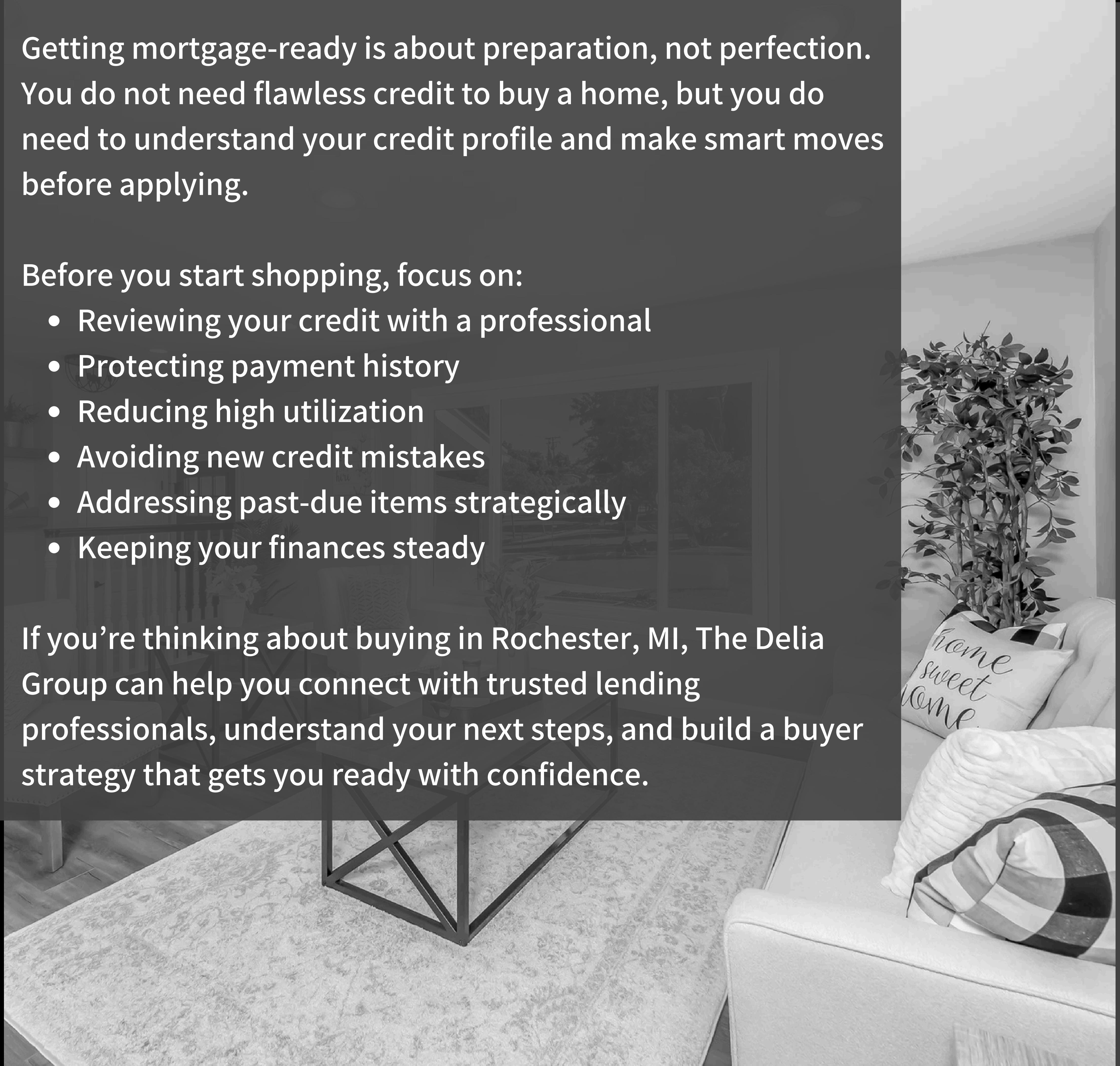
FINAL THOUGHTS

Getting mortgage-ready is about preparation, not perfection. You do not need flawless credit to buy a home, but you do need to understand your credit profile and make smart moves before applying.

Before you start shopping, focus on:

- Reviewing your credit with a professional
- Protecting payment history
- Reducing high utilization
- Avoiding new credit mistakes
- Addressing past-due items strategically
- Keeping your finances steady

If you're thinking about buying in Rochester, MI, The Delia Group can help you connect with trusted lending professionals, understand your next steps, and build a buyer strategy that gets you ready with confidence.



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