



# WHAT NOT TO DO WHEN FINANCING A HOUSE

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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.