

ALL ABOUT YOUR CREDIT

How Credit Influences Financing

Credit is an agreement to borrow money with the promise that you will pay it back at a later time through scheduled payments. These payments usually include interest, which is additional money charged for the privilege and convenience of borrowing.

Maintaining good credit is key to financing a home purchase. In fact, your credit is one of the first things lenders examine when considering you for a loan.

What can you do to improve your credit – and your chances of getting a mortgage? Making payments on time is an important way to establish good credit. A pattern or history of frequent late payments can lead to a poor credit score, which can result in a loan offer at a higher interest rate or negatively affect your ability to be approved for loans.

Your Credit Report

When considering you for a loan, mortgage lenders will review your credit report and use the information found there to decide:

- Whether or not to approve you for a loan
- The type of loan for which you qualify
- The interest rate to charge you

Your credit report displays your credit history and the credit score derived from this history. Your credit score, shown as a number, provides lenders with a fast and objective way to predict how likely you are to repay a loan.

The Importance of Good Credit

Because your credit history follows you throughout your life, making good credit decisions along the way will help a great deal when you're ready to start the home buying process.

Valley View Home Loans can help you gain a better understanding of credit and show you how to maintain a good credit rating. Read our full Credit Guide. You can also contact one of our experienced mortgage consultants at (855) 550-8500 to discuss your personal situation.