

KNOWING THE SCORE

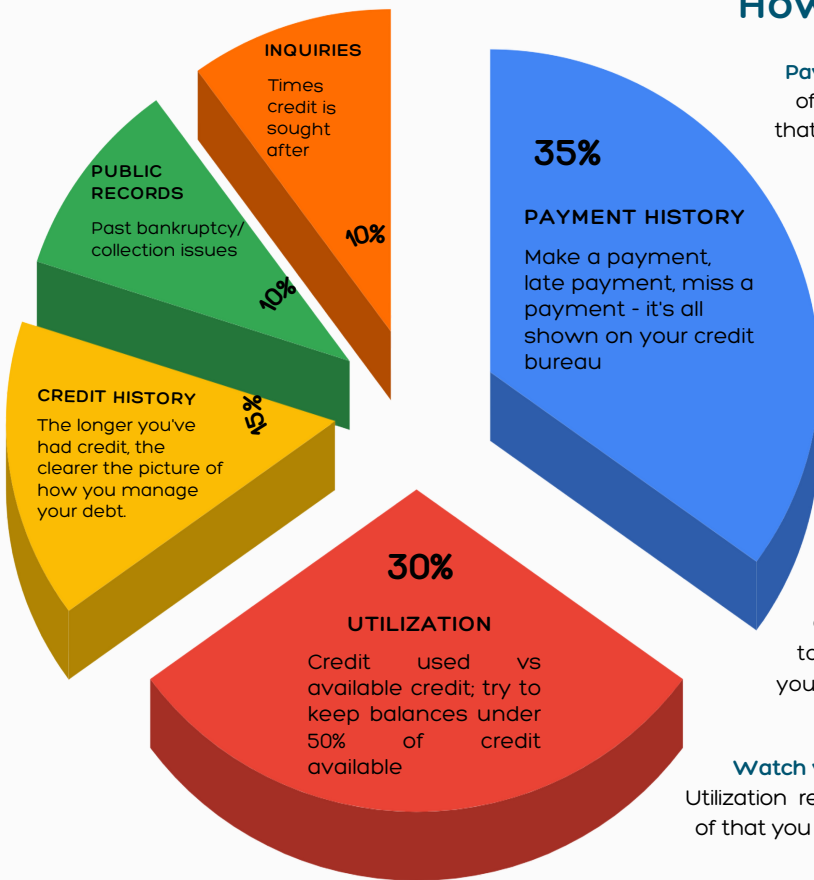
A question of credit



Your **credit score** is one of the most important components of your mortgage application. A credit score is made up of several considerations such as payment history, use, length of time you've had credit, and the number of times credit has been applied for. This information speaks to how likely you are to pay your bills on time and illustrates any past credit difficulties you may have had. Lenders use this score to determine your creditworthiness.

With so much weighing on this number, it's important to understand how it's calculated, and what you can do to manage it:

How to Improve Your Credit Score



Pay your bills on time. If possible, set up automatic payments for all of your regular bills. Many credit card companies also have options that allow for automatic minimum balance payments each month.

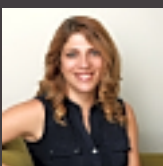
Don't max out your credit cards. If you have a big purchase to make consider applying for a lower interest line of credit, or home equity line of credit (if you already own a home).

Choose your credit wisely. While it may be tempting to receive incentives offered by credit card companies, unnecessary credit can wreak havoc on your credit score. Try to limit all new credit applications to only those you genuinely need.

Keep an eye on your credit profile. Make sure there are no erroneous charges and/or tampering with your identity. Both credit reporting companies Equifax (www.equifax.ca) and TransUnion (www.transunion.ca) allow Canadians access to one free credit profile per person per year. It's recommended you order profiles from each company as they report differently.

Watch your utilization. Keep an eye on those balances; they matter. Utilization refers to the amount of credit you have available vs how much of that you use. If you can, keep your balances at/below 50% of your limit.

Limited/No Credit. Having little or no credit can hurt your chances at getting mortgage financing. It's important to have enough "active" credit that you are handling responsibly (paying on time/off each month) - this helps to build a strong credit profile. If you don't currently have active credit, please contact us to discuss your options.



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