

Four Mistakes to Avoid

You've found a home you love and have submitted your mortgage application. There are some things you should avoid doing until after you have closed on your home loan.

1. Job Status Change

If at all possible, you should avoid changing jobs until your loan has closed. Mortgage companies look for stability and even a move to a higher paying position could raise red flags.

2. Late Payments

The most important factor in your credit score is payment history. Even one late or missed payment could significantly reduce your credit score and make you ineligible for a loan.

3. Unnecessary Credit Inquiries

Historically, numerous credit inquiries point to increased risk. This is why FICO has included it in credit score calculations. Avoid applying for new credit until your loan has closed.

4. Taking on Debt

Debt has almost the same effect on your credit score as late payments. Taking on new debt could decrease your credit score and change your debt-to-income ratio, making you ineligible for a loan.

If you are unsure if something may impact the closing of your loan, discuss it with your mortgage consultant.



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