

CLOVER CREDIT SOLUTIONS



IMPROVE YOUR CREDIT TO BUY A HOME

Starting Is Hardest The Part

Most of us long to own a home. We see this idealized place as our shelter in bad times. We love the thought of being able to decorate from top to bottom with our unique specifications. Unfortunately, for many of us, buying a home is a difficult prospect because of one major drawback: a poor credit history. Bad credit almost always creates complications when trying to purchase something as big as a home.

That three-digit credit score and our credit report can make the difference between being granted a home loan and being rejected out of hand. Why? Because our credit report tells a financial story of us as payers of debt, and it has a long memory. Few people manage to go along forever without making a single financial mistake, and the fact is that many times, those people who pay cash for everything, end up with a lower credit score than those of us who juggle debt.

The worse your credit report is, the harder it will be to acquire a home loan. That is why it is imperative before you go house shopping and long before you need to move, to study your credit report and clean it up as much as you possibly can. In several months to a year's time, you can improve your credit report and raise your credit score. Then you will have a much better chance of moving into your own home at a competitive interest rate.



section 01

UNDERSTANDING YOUR REPORT

Addressing a poor or okay credit score can seem intimidating, but there are a few tried and true ways of helping to fix it. Just because you have a low credit score now doesn't mean you can't bring it up into the average or above-average range. We'll help you get your credit where it needs to be so you can buy the house of your dreams.



Review Your Credit Report

Understanding the information in your credit report is a key part of addressing a poor credit score. There are a few critical things that go into determining your credit score, including:

1/ **THE AGE OF YOUR CREDIT**

The longer you've maintained open credit lines, the more positive impact they have on your credit score. Basically, you're showing that you can successfully maintain credit over time.

2/ **THE AMOUNT OF DEBT YOU HAVE**

The more debt you have, the more negatively it affects your credit score. Paying off debts, like student loans and smaller-limit credit cards, can help raise your score.

3/ **YOUR CREDIT PAYMENT HISTORY**

If you've paid your bills on time across all your lines of credit, you should expect to see positive growth in your credit score. Things like missed or late payments, or defaulting on a line of credit altogether, will negatively affect your score.

4/ **THE AMOUNT OF CREDIT LINES YOU HAVE OPEN**

While the number of credit cards you have doesn't have a strong effect on your score, it can help or hurt depending on other factors like payment history and debt. If you have three or four credit cards and pay them off regularly, there's a good chance your credit score is benefiting from that. But if you have three cards that you miss payments on, there's a good chance your score is being negatively impacted.

Knowing what these pieces of your credit look like is an important step toward fixing your credit. For example, high debt and spotty payment history can negatively affect your credit, while having a long history of credit and only a few open credit lines can positively affect your credit.

DISPUTE ERRORS ON YOUR CREDIT REPORT

Mistakes Happen – Get Them Fixed

Every year, a whopping 25% of people who get declined for a mortgage had errors in their credit report. (And by “errors,” I mean inaccuracies).

When you spot them, it’s up to you to fix them. You can find step-by-step guides on how to file a claim on any of the credit bureau websites; your report itself will also have instructions. Follow them to a T, and keep a good record of your dispute, including copies of any documents you file with the bureaus. Once you make an initial claim, you should get a response within thirty to sixty days.

This usually involves providing evidence of the mistake, so be sure to gather as much information as possible before filing a dispute.



STEP 01

REPAIR



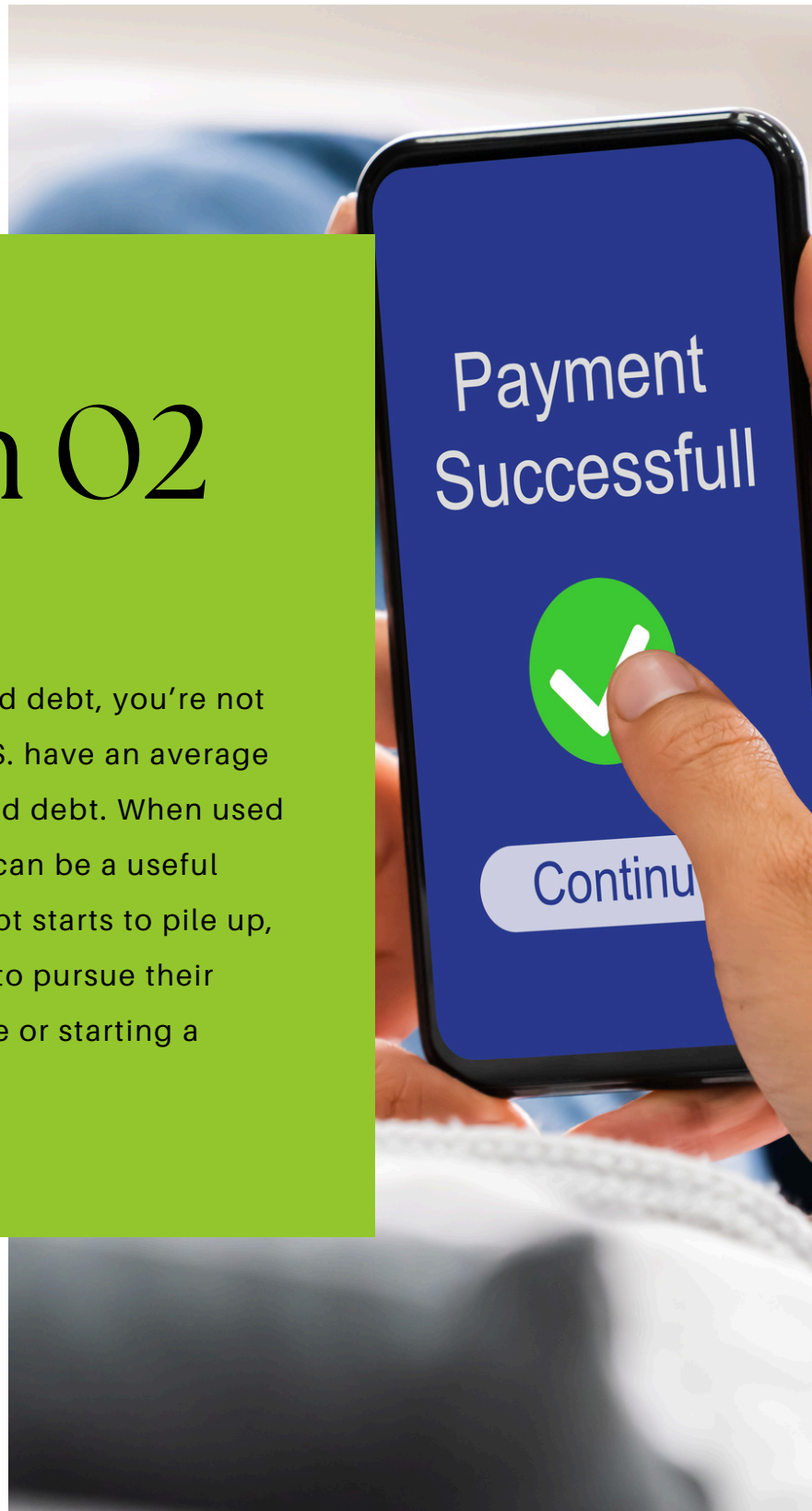
Credit Repair Homework

- Pull your credit report from a trusted credit monitoring service.
- Verify all information on the report is current and accurate.
- If information is inaccurate, report it to credit bureaus.

section 02

PAYMENTS

If you're carrying credit card debt, you're not alone. Millennials in the U.S. have an average of \$4,712 each in credit card debt. When used the right way, credit cards can be a useful financial tool. But when debt starts to pile up, people often find it harder to pursue their dreams, like owning a home or starting a business.



PAY DOWN YOUR BALANCES LIKE A NINJA

Tackling your credit card debt takes persistence, patience, and time. Rome wasn't built in a day, so your debt won't be erased overnight. But taking small steps can lead to a big payoff in the end.

Setting up a concrete goal ("I want to be debt-free by this time next year") will help keep you, and your debt, in check. There are lots of ways to go about eliminating your credit card debt.



Find a Payment Strategy

1/

Pay more than the minimum. Credit card issuers set a monthly minimum payment, usually based on a percent of your total balance. While it can be tempting to pay only this amount, these odds are stacked in the bank's favor. Banks make money on the interest they charge you to carry that balance each month, so your \$5 cup of coffee costs much more in the long term. Paying even just a little more than the minimum will help you get closer to debt-free.

2/

Try the snowball method. This strategy gives you quick short-term victories. The Snowball Method prioritizes paying your loans by their amount — smallest to largest. You pay the minimum on all of your debt, focusing your efforts on the loan with the smallest amount. When you've paid that one-off, you focus on the next smallest loan. Like a snowball rolling down a hill, you'll make bigger and bigger payments over time until your debt is gone.

3/

The avalanche approach. Another way to tackle debt is the avalanche approach. Rather than paying off your smallest debt first, you'll focus on the card with the highest interest rate. Crunching the numbers, this strategy is more likely to help you pay off debts more quickly and save the most money on interest charges.

4/

Automate payments. Make sure you don't accidentally miss a monthly payment and avoid extra late fees by setting your credit cards to auto-pay.

section 03

FINDING THE RIGHT LENDER

Having a good relationship with the bank where you intend to apply for a mortgage will also help you secure a good interest rate.

A glass jar filled with coins and a rolled-up \$20 bill, with a pink piggy bank in the background.

**Down
Payment**

A top-down view of a person's hands typing on a silver laptop keyboard. The person is wearing a tan sweater. In the top left corner, there is a white mug filled with dark coffee. The background is a clean, white desk surface.

HOW TO FIND THE BEST MORTGAGE LENDER

To find the best mortgage lender, you need to shop around. Consider different options like your bank, local credit union, online lenders, and more. Ask about rates, loan terms, down payment requirements, mortgage insurance, closing cost, and fees of all kinds, and compare these details on every offer.

TYPES OF MORTGAGE LENDERS

- Direct lenders
- Mortgage brokers
- Hard money lenders

DIRECT LENDERS

Direct lenders are banks, credit unions, online entities, and other organizations that provide mortgages directly to borrowers. They create and fund mortgages and either service them (meaning manage the repayment) or outsource the servicing to a third party. They also establish loan rates and terms; these can differ significantly depending on which lender you work with.

- Pro: In-house process from application to closing; borrowers typically work with one loan officer
- Con: Rates and terms vary widely between lenders

MORTGAGE BROKERS

Mortgage brokers are independent, licensed professionals who serve as matchmakers between lenders and borrowers. Brokers usually charge a small percentage of the loan amount (generally 1 to 2 percent) for their services, which the lender pays for (but passes on to you as part of the cost of your mortgage). They don't fund loans set interest rates or fees, or make lending decisions.

- Pro: Work with multiple lenders on the borrower's behalf
- Con: Potential conflicts of interest

HARD MONEY LENDERS

Hard money lenders are private investors (an individual or group) that provide short-term loans secured by real estate. While traditional lenders look closely at your financial ability to repay a mortgage, hard money lenders are more concerned with the property's value to protect their investment. Hard money lenders typically require repayment in a short time frame, usually one to five years. They also generally charge steeper loan origination fees, closing costs, and interest rates, as much as 10 percentage points higher than conventional lenders do.

- Pros: Can be easier to qualify borrowers who don't fit the criteria for conventional loans; fast approvals and funds disbursement
- Cons: Higher fees and rates; shorter-term loan means higher monthly payments



Credit Repair Homework

- Create a written plan to quickly pay off your debt.
- If any bills are past due, pay them in full immediately.
- Start interviewing banks and lenders!



If you think you can get your credit spruced up and ready to go in a matter of days, think again. Even without any dings on your report, you'll want to make sure all your credit cards are paid up prior to qualifying for a loan, and that requires planning. Get ahead of the game by paying down your debt, then try and lock up your credit cards until your credit score has been checked and you have been approved for your mortgage.

TESTIMONIES



1/ ALEX VASQUEZ

Excellent service, communication every time I have a question they have an answer for me. Very pleased with the service I've already recommended my family as well. In less than two months my credit has drastically increased. 100% recommended very fair prices as well.



2/ ROSARIO LOZA

Estoy sumamente agradecida con Maireli porque me ayudo de tal manera que se elimino de mi crédito lo que buscábamos. Un trato humano y personal, no dejo mi caso hasta lograr la meta que planteamos cuando contrate su servicio



3/ YOSBANY BAYEUX

Muchas gracias a Miraily y su equipo por todo su trabajo. Muy contento con el servicio y los resultados! Siempre atentos a los clientes y dandome recomendaciones para poder seguir subiendo mi credito. Definitivamente los recomiendo mucho! Si quieren subir la puntuacion usen a Clover!



4/ KRISTI ESTRADA

Clover Credit did the most AMAZING job. I got quick responses to my all of my questions. The customer service was great too, so friendly! I recommend this company to everyone looking to fix their credit score.

QUESTIONS?

We would love to work with you, please reach out if you have any questions or need guidance.

Download our Do-It-Yourself Guide by scanning the following QR code:

