

STEPS TO BOOST YOUR CREDIT SCORE

There aren't shortcuts to improving your credit score. You'll need to make sound financial decisions for at least several months to offset previous damage you've done to your credit record.

But that doesn't mean it can't be done. Here are four steps to improve your score and increase the chances you'll qualify for a favorable mortgage loan.

CHECK YOUR CREDIT REPORT

Verify that the items listed on your report—especially the negative ones—are correct. If there are mistakes, correcting them is an easy way to help your score. You can order free copies of your credit report at annualcreditreport.com.

PAY OVERDUE ACCOUNTS

Past-due balances are very damaging to your score. Pay off the debt or at least negotiate a plan to get those accounts current. Once current, those accounts will stop adding negative information to your credit report and can generate positive credit-score movement.

USE LESS OF YOUR AVAILABLE CREDIT

Carrying a \$2,000 balance on a Visa card with a \$3,000 limit isn't going to help your credit profile. Try to pay down those balances, if possible, to less than 50% of your available credit. Another option is to ask for a higher limit. If Visa raises the limit on that card to \$6,000, your balance looks better—as long as you resist the urge to add to the balance on that card.

DON'T CLOSE ACCOUNTS

This one is counterintuitive, but closing a credit card account lowers your available credit. Keep that card active and set it up to autopay one or two small, recurring bills, such as your Netflix membership.



When you're ready to start looking for a home, talk to a Texas REALTOR®. He or she can help you understand the many aspects of the homebuying process.