



# Homebuyer Credit Score Checklist

## 1. Credit Score Requirements

### a. Conventional Loans

- Minimum score: 620
- Preferred score for best rates: 740+
- Score ranges and typical rates:
  - 740+ : Best rates available
  - 700-739: Good rates
  - 680-699: Higher rates
  - 620-679: Highest rates

### b. FHA Loans

- Minimum score: 580 with 3.5% down
- Score 500-579: Requires 10% down
- Score below 500: Not eligible
- MIP requirements vary by score

### c. VA Loans

- No official minimum score
- Most lenders require 620
- Better rates at 640+
- Best rates at 740+

### d. USDA Loans

- Most lenders require 640+
- Better terms at 680+
- Automatic approval likely at 640+
- Manual underwriting below 640

## 2. Credit Report Review

### a. Required Reports

- Pull reports from all three bureaus
  - Equifax
  - Experian
  - TransUnion
- Check for discrepancies between reports
- Review all accounts and balances
- Note any derogatory marks

### b. Key Factors to Check

- Payment history (35% of score)

- Credit utilization (30% of score)
- Length of credit history (15% of score)
- Credit mix (10% of score)
- New credit (10% of score)

### 3. Pre-Application Improvements

#### a. 6-12 Months Before

- Pay all bills on time
- Reduce credit card balances below 30%
- Avoid closing old accounts
- Don't open new credit accounts
- Dispute any errors on credit report

#### b. 3-6 Months Before

- Maintain low credit card balances
- Continue perfect payment history
- Avoid applying for new credit
- Keep old accounts active
- Document all credit improvements

#### c. 1-3 Months Before

- Freeze credit report
- Print copies of all reports
- Document score improvements
- Prepare explanations for issues
- Gather proof of resolved items

### 4. Red Flags to Address

#### a. Major Issues

- Late payments
- Collections accounts
- Charge-offs
- Bankruptcy
- Foreclosure
- Tax liens
- Civil judgments

#### b. Minor Issues

- High credit utilization
- Too many inquiries
- Limited credit history
- Limited credit mix
- Recent credit applications

### 5. Monitoring Requirements

#### a. During Application

- Monitor all three scores
- Watch for new inquiries
- Track score changes
- Document all credit activities
- Keep utilization low

#### **b. After Pre-Approval**

- No new credit applications
- Keep all accounts current
- Maintain low balances
- Document any score changes
- Save all credit-related communications

## 6. Required Documentation

#### **a. For Credit Issues**

- Letters of explanation
- Proof of resolution
- Payment histories
- Settlement documents
- Court documents
- Release of lien documents

#### **b. For Good Credit**

- Current credit reports
- Score tracking history
- Payment histories
- Account statements
- Proof of on-time payments
- Balance reduction proof

## 7. Post-Closing Credit Management

#### **a. Immediate Actions**

- Continue monitoring scores
- Keep credit utilization low
- Maintain on-time payments
- Watch for mortgage reporting
- Document new account setup

#### **b. Long-term Maintenance**

- Regular credit monitoring
- Annual credit reviews
- Maintain low balances
- Keep old accounts active
- Monitor identity protection

*Note: Credit requirements vary by lender and loan type. Always verify specific requirements with your chosen lender.*