5 Biggest

Mistakes Most Home Buyers Make

And 3 Guaranteed Ways to Get Approved for a Home Loan

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5 Biggest Mistake Home Buyers Make

Purchasing a home is an exciting experience. At the same time it can be a little scary if you don't know what to expect.

Many potential home buyers apply each year for a home loan to live the American dream. Unfortunately many of them are denied for their loans due to common avoidable mistakes.

This Special Report has been prepared for you to outline the 5 biggest mistakes home buyers make and how you can avoid them.

You will also learn 3 guaranteed ways you can apply and be APPROVED for your home loan.
This special report will provide you the information you need to insure your loan application process goes smoothly and that you are approved for your new home.

To get started we will take a look at the 5 biggest mistakes that most home buyers make.

5 Biggest Mistake Home Buyers Make

Mistake #1

Applying for a Home Loan with Unresolved Credit Issues

Many borrowers apply for home loans each year knowing they have credit problems. In most of these cases the consumers were victims of a broken credit system.

Usually one event happens which causes the consumer to go late on some payments. The credit then becomes damaged, and the credit quality starts progressively getting worse.

Eventually the consumer cannot apply and be approved for new credit due to the resulting credit damage. In this case most borrowers do nothing. They simply wait for the credit to get better which never happens.

As the negative items sit and fester on the credit report, the credit scores continue to decrease. With no improvement and no new credit being added, the credit scores will then stay low or go lower through time.

When this happens, the credit quality is so bad that the borrower will quickly be declined for a home loan and most other type of loans they will apply for.

Don't make this mistake. Credit does NOT fix itself, and if you have only older negative accounts on your credit you will more than likely be denied a home loan if you apply.

Focus on repairing some of these issues before you apply.
The only way to repair these issues is to focus on deleting negative accounts while adding positive accounts in their place.

Following these steps will dramatically improve your credit profile and increase your credit scores so you will qualify.

Mistake #2

Paying of Collections to Increase the Credit Scores

Most consumers believe that by paying off collections they are improving their credit scores.

Collection companies commonly miss-inform consumers this will help their credit. Many mortgage brokers also tell customers to pay off collections and then come back and"maybe"you will qualify.

Many home buyers try to pay off all their collections before applying for a new home loan so they will be approved.

In reality paying off collections does NOT help credit scores. Once an account goes into collections it is listed as a"9"status which designates a charge-off.

If you pay a collection the status still stays a"9"collection status. The balance reports as 0, but the collection status and damage still remains.

Your credit score is a number which reflects your risk of defaulting on accounts in the future.

When you have an account which goes to collection, you have shown the greatest risk of default on that account.

Paying the account after collection will not reduce your risk of default, so your scores stay low even if the collection is paid off.

The only way to truly fix credit is to have that item properly disputed and deleted. If the account is deleted there is no record on the credit that it ever existed.

Plus the credit scores increase also as if they account never existed.

Don't make this mistake and throw money away by paying off collections.
Paying off collections will NOT raise your credit scores and will not increase your chances of getting approved.
Y
ou are better to save your money and use it for a professional credit improvement system and to use towards your home purchase.

Mistake #3

Waiting to Purchase until the Credit Gets Better

Many consumers wait to purchases a home until their credit is better.

They wait and wait, but the credit doesn't get better on their own and they are left forever waiting for their opportunity to qualify.

Your credit scores and credit profile will NOT get better with time. Most negative accounts will remain on the credit report for 7-10 years past the date of first default.

So if you wait for these items to drop off your report, you could be waiting for a decade or more and miss out on great interest rates and loan terms.

Most consumers with credit issues struggle to get approved for new credit. In the end many give up and leave their credit with no positive accounts reporting, only older negative accounts.

When this happens all that is left on the report are negative accounts. This will keep the credit score low permanently.

If nothing is done with the credit the negative items will eventually drop off in 10 years or so.
But with no positive credit reporting the scores will then be 0 and the consumer will not then qualify for a home loan with that score.

Don't make this mistake. Your credit profile and score will not get better on their own, no matter how long you wait.

The best solution is to have a professional credit company walk through your report with you to see what can be done.

In most cases they can help you delete negative items from your report while helping you get approved for positive credit.

Your credit scores will then increase, and you can quickly have a credit profile where you can apply and get approved for your new home loan.

Mistake #4

Attempting to Get Credit Approved with a Co-Borrower

There are many instances in which a co-borrower can be added to a loan to help with qualification.

One of the best reasons for a co-borrower to be added to a loan is so more income can be shown to increase the amount of home you might qualify for.

Even though there are many other examples of where a co-borrower can help secure loan approval, a co-borrower will not help an application for credit purposes.

Each borrower on a loan must have the credit to qualify for that loan.
So even if you have an excellent credit co-borrower, your credit would also have to be acceptable to be approved.

If the credit score requirement for your home loan is 640, both borrowers must have above a 640 score to qualify.

If a borrower has a 720 credit score and the other borrower only has a 620 credit score, the lower score borrower could not qualify to go on that loan.

All borrowers on the loan must have an acceptable credit score. Co-borrowers cannot be added to get past these credit requirements.

Don't make this mistake. If you have credit issues and know of a co-borrower with no credit issues, you will not be able to be put on that loan until your credit issues are corrected.

You must have an acceptable credit profile and credit scores to be approved for a home loan no matter whether you are the borrower or co-borrower.

Speak with a professional credit company about what can be done to improve your credit.

Once you have an acceptable credit score you will qualify and might not need a co-borrower on your loan.

Mistake #5

Ignoring Credit Issues Until You Find a Home

Most consumers ignore their credit issues until they find something they want to buy.

A lot of borrowers come to get approved for a mortgage only after they have found a home they have fallen in love with.

Then they apply just to find they don't have the credit to qualify, and they miss their opportunity to own their dream home.
If you know you have some credit issues you should talk with a credit expert before applying. A good credit company can help you resolve most of those issues.

The credit repair process does take some time, so you want to get started before you find a home you love. As soon as you know you are sure you want to own a home make contact with a credit firm. Have them review your report with you to see what they can do to help improve your credit profile.

Sometimes the improvement process might take only 30 days. In other cases you might need 6-8 months of work done before you qualify.

You want to insure you have more than enough time to put your credit in order to qualify, so make contact with a professional credit company the minute you know you want to buy a home.

This way your credit will not hold you back from owning the home of your dreams.

Don't make this mistake. Make sure you obtain a free credit report and contact a professional credit company for an analysis.

You can then have many of your credit issues fixed before you apply for your new home loan.

3 Guaranteed Ways to Get Approved for a Home Loan

Guaranteed Approval Tip #1

Have your credit profile improved then apply

You can get approved for a home loan. But you must have an acceptable credit profile and decent credit scores to get approved.

If you suffer from any credit issues there is still hope.

You can work with a reputable credit firm who can help you drastically and quickly improve your credit profile so you will qualify.

The Fair Credit Reporting Act requires all items on your credit report be 100% accurate, 100% verifiable and 100% timely.

Most negative credit items on your report cannot be 100% verified because they are not 100% accurate. In these cases these items must be permanently deleted, it's the law.

A good credit firm will know the laws enough to successfully dispute and delete most of your negative credit items.

They can then get you access to new credit sources who will approve you for new credit, guaranteed.

Plus a good credit firm can help you get approved for high credit limit accounts. High Credit accounts for 1/3 of your total credit score.

This means if you don't have credit cards with $5,000 limits or higher, your scores will remain low.

A good credit firm will address this and help you get approved for high limit accounts to increase your credit scores.

Your credit will NOT fix itself. It will take 10 years or so for your negative accounts to fall off your report so you won't want to wait for this either.

You don't need excellent credit to qualify for a low money down home loan.

But you will need a decent credit score, no recently reported negative items on your report, and positive credit re-established.

A good credit firm can help you with this and will give you the best chance to get approved quickly for the home of your dreams.

Regardless of who you chose, you CAN have your credit improved to qualify for a low money down home loan.

Guaranteed Approval Tip #2

Have a Large Down Payment

You can still be approved for a home loan even if you have credit issues.

To qualify you will be required to put a large sum of money down to offset your credit risk.

Most home loans available today are offered through Fannie Mae or are government backed loans such as FHA.

These loans ALL have credit score requirements. To qualify you will want to consider having a professional credit firm help you improve your credit so you can get approved.

If you don't want to have your credit improved you still might qualify. You just won't qualify for any of the most common Fannie Mae or government loans.

Instead, with credit issues you can get approved for a Private Money loan. Some of these loans have very loose credit score requirements.

You will be required to have a large down payment to qualify.

Almost all private money loans require a 35-40% down payment. With credit issues you can get approved for a 60-65% loan-to-value loan, the difference you will need as a down payment.

Interest rates on these loans are much higher than conventional loans. Most conventional and government loans offer you interest rates below 6%.

Private money loans offer rates of 8-13%. This means you can expect that your monthly payments will be much higher with these types of loans.

Still, they are a great option if you have a lot of money to put down and don't want to improve your credit before applying.

Keep in mind your monthly payments will be much higher.
So you should consider improving your credit and applying for a refinance conventional or government loan to insure you have low monthly payments long term.

Guaranteed Approval Tip #3

Find another Borrower

Now is the best time to buy. Property values are the lowest they have been in nearly a decade, and interest rates are also at an all-time low.

These buying conditions are perfect for investors to purchase properties for long-term investments.
Chances are very good you have a close friend or family member who would like to take advantage of this opportunity and purchase an investment property.

Try approaching your friends and family to see if they have an interest in taking advantage of this awesome buying opportunity and purchasing an investment property.
You can then rent that property from them on a rent-to-own basis. This is a great opportunity for them to receive income monthly from your rent payments.

Of course allow them to make some interest on you, and allow you an opportunity to purchase the home at a later date when you have the credit to qualify.

This is a great opportunity for them to make a good investment while helping you purchase your dream home in the process

You can qualify for a home loan. To insure you get Approved make sure you avoid the 5 Biggest Mistakes most borrowers make. Then utilize one of the 3 Guaranteed ways to get Approved to insure you can own the home of your dreams.

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