# *Six things you should not do after you apply and qualify for a home loan!*

I learned a long time ago that "Common sense is NOT common practice". This is especially the case during the emotional time that surrounds buying a home, when people tend to do some non-commonsensical things. Here are a few suggestions of things "**NOT TO DO"** after you have been qualified to purchase a home and before you have successfully closed and taken ownership of your dream home.

1. Don't make any large purchases on credit like a new car or a bunch of new furniture on your credit card.

   New debt brings on new monthly obligations. New obligations create new qualifications. People with new debt have higher ratios. Higher ratios make for riskier loans and sometimes qualified borrowers are no longer able to qualify for their dream home

2. Don't deposit cash into your bank accounts.

   Cash is not really traceable. Small explainable deposits are fine, but getting $10,000 from your parents as a gift in cash is not. Discuss the proper way to track your assets with your lender.

3. Don't co-sign other loans for anyone.

   When you co-sign, you are obligated for that loan. With that obligation comes a higher debt ratio. Even though the payment is to be paid by the friend/relative you are co-signing with, the lender will be counting the payment against you.

4. Don't change bank accounts.

   Remember, lenders need to source and track your assets. That task is significantly easier when there is a consistency of accounts.

5. Don't apply for new credit.

   Most folks do not realize that every time they allow someone to run a credit report on them their credit score drops 4 to 5 points resulting in their credit scores to be lowered. In some cases this can disqualify them from purchasing a home.

6. Don't close any credit accounts.

   Many past clients have erroneously believed that having less available credit makes them less risky and more approvable. Wrong – A major component of your score is your length and depth credit history (as opposed to just your payment history) and your total usage of credit as a percentage of available credit. Closing accounts has a negative impact on both those determinants of your credit score.

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Note: If this article generates additional questions or a need for additional information, the following button will allow you to ask your question(s), request additional information or make comments. It is not my intent to bug you with unwanted phone calls, emails, or text messages! It is my intent to allow you to benefit from my 35+ years real estate activity and to give you a buying experience beyond your expectations!

**Questions / Comments**