



## LEVEL PLAYING FIELD HOMES, LLC

### Credit Score 101: Am I lendable & if not, what can I do?

#### **CREDIT SCORES: Why are they so important?**

- Lenders use your personal credit history as a measure of character and a way to understand how reliable you have been in repaying past loans.

#### **So, what score is needed for a Loan?**

- Lenders differ as to what they consider an appropriate credit score. Some want borrowers to have exemplary scores, while others accept lower scores if sufficient cash and/or collateral is pledged. For some lenders, it all depends on what the Loan is for – if the Bank is really familiar with a specific type of loan, they may be a little more forgiving on the Credit Score for that particular item vs the same Bank with a different item (House or Car, etc.). The good news is that you aren't limited to only 1 bank to ask.

#### **As a general rule of thumb:**

- **700+ and good cashflow:** *you are usually going to be lendable*
- **650-700:** *typically still good depending upon market conditions, not as guaranteed*
- **600-650:** *sometimes but possibly with higher interest rates etc.*
- **Below 600:** *no one is going to lend to you until you repair your credit.*

#### **What's the best way to Repair/Improve your Credit Score?**

- One of the best suggestions to help repair your credit is to look at your credit report & look for the bigger dingers to your score like "uncollected write-offs" - we have seen people denied loans go back and offer to pay 25-50cents on the \$1 for \$100 old cell phone bills to the companies to remove the item from their credit report. When the company agrees and removes the item, we have seen scores improved 30-50 points in 30 days. Aside from that, there isn't much we can help you with until your credit score improves to a lendable range of 600-650+. While a bank will run your credit thru their preferred Credit Rating Agency during Loan Review, [www.CreditKarma.com](http://www.CreditKarma.com) can allow you a Free way to get a ballpark Score.