

BOOSTING YOUR MORTGAGE CHANCES



How can I maximise my chances of getting a mortgage?

- Check your credit record in advance of applying for a mortgage to give yourself time to take any necessary steps needed to correct it. Preferably check your record with the three credit referencing agencies, which are Experian, Equifax and Call Credit. Most agencies offer a free month's trial enabling you to check your record without subscribing.
- Most high-street lenders use a computerised credit scoring system to assess whether an individual applying for a mortgage is credit-worthy. Having no evidence of your ability to manage credit can be as detrimental as having a poor credit score. The lender simply doesn't know if you will be able to manage a mortgage. To build your file, take out a credit card which is paid in full every month. This may be for small incidentals such as food or fuel. It is imperative you pay this credit card every month (preferably in full to mitigate interest) and demonstrate to the lender you are responsible with financial commitments.
- Ensure you are on the electoral roll - Many first-time buyers have moved frequently as a result of university or career changes, and they often forget to register on the electoral roll. Being registered on the electoral roll carries many points towards your credit score so ensure this is updated before a mortgage application.
- Check your bank statements. When applying for a mortgage, most lenders will ask to see your bank statements, usually the latest three months. Before applying for your mortgage, make sure your bank statements are conducted as well as possible with no missed payments and not exceeding any agreed overdraft limit. Being over your agreed limit or missing direct debits is likely to result in your mortgage being declined. Being inside of your agreed overdraft limit is acceptable, but do bear in mind the lender may treat your overdraft as a credit commitment, reducing the amount you may be able to borrow.
- Avoid payday loans as many lenders will not give you a mortgage if they can see you have taken one out over the last three years. Also avoid online gambling as this isn't viewed favourably by lenders either.

