



**UNDERSTANDING
CREDIT & DEBT**

Credit Checkup: 3 Tips as You Get Ready for a Home Loan

By **Elizabeth Weiss
McGolerick** • Posted:
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If you're shopping for a home, it's essential to know where you stand with your credit.

If you have a good credit history, that's a great start, but it's not the only factor. And if you don't, there are things you can do to increase the likelihood you'll be approved for a loan before you apply.

Here are three suggestions to consider from financial experts if you're thinking about applying for a loan:

1. Know Where You Stand With Credit

Some people pursue a home loan incorrectly believing they're in good shape on all other financial obligations, says Rick DeHaan, personal finance coach for the budgeting system Mvelopes, and then find out otherwise.

He shares the story of a woman who assumed she could afford mortgage payments because she felt she had



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a good handle on all of her other expenses. A closer look revealed

DeHaan
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ult,

she was offered a mortgage with a higher interest rate than she expected.

"She was utilizing too much of her allotted credit through car loans, store credit cards and overdraft balances," DeHaan says. So she had to go back to basics, starting with tracking her spending.

"She began to see why she was sometimes late, and how her spending habits were tied up in different lines of credit," says DeHaan. "She adjusted her spending, paid down her account balances, and watched her score improve within months."

The result? She was able to get her home loan at a lower interest rate.

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"I have seen many success stories of those who worked hard at rebuilding their credit scores so that traditional banks would offer them loans."

Christine M. Magee says "Builders and hard-money lenders often offer balloon notes to buyers with bad credit," says Christine M. Magee, a consumer law attorney in Dallas. Balloon notes allow the borrower to pay only interest for a set period of time; at the end of the term, the entire principal must be paid in full. The idea is that you're buying time to refinance your mortgage with a traditional lender before the balloon note matures.

2. If It's Too Good To Be True, It Probably Is

Sometimes getting a home loan is about what *not* to do.

"Builders and hard-money lenders often offer balloon notes to buyers with bad credit," says Christine M. Magee, a consumer law attorney in Dallas. Balloon notes allow the borrower to pay only interest for a set period of time; at the end of the term, the entire principal must be paid in full. The idea is

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Two of Magee's clients, a young married couple,

bought their upgraded dream home with a balloon note financed by the builder at 14 percent interest with a two-year maturity date. Even with high student loan debt and some unpaid accounts ding their credit scores, the two said they were reassured by the builder's title agent that they'd be able to improve their credit and land a new loan by the end of those two years.

"Life got in the way, and they weren't able to pay off all the delinquent accounts," says Magee. After two years of making mortgage interest payments, the amount due on the balloon note was \$215,000 and the couple faced possible foreclosure.

"There is no substitute for hard work and patience," says Magee. "I have seen many success stories of those who worked hard at rebuilding their credit so that traditional banks

would offer them loans."

3. It's Not Just Your Own Credit Score That Matters

Your partner's credit score can negatively impact your ability to get a home loan as well, no matter how stellar your own score is.

In the case of one couple, "she had excellent FICO credit scores of 745 but he had been irresponsible early on in life and had collection accounts from college credit cards he defaulted on, as well as limited positive credit," says Tracy A. Becker, president of North Shore Advisory, a credit-counseling firm in New York.

As a result, the couple couldn't qualify for a mortgage.

Becker says she helped him dispute some of the entries he said were incorrect on his credit reports. He applied for a secured credit card and opened a card with his

wife, and took several other steps to improve his credit score.

In this case, Becker says, the man's credit score "went from a 580 to a 680 in nine months and they were able to get the financing needed for their first home."

Photo: Morsa Images/Getty Images | Elizabeth Weiss McGolerick is a freelance writer and web content developer focusing on lifestyle and parenting topics. Her work has been featured on MSN, SheKnows and Parent Society.



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MANAGING A SMALL BUSINESS

Storytelling A Powerful Tool for Promoting Your Business

How "Once Upon a Time" Can Help You Find Customers

By **Rosa Harris** • Posted: 04/21/15

Once upon a time...

For rapt children listening to a tale at grandpa's knee, these magic words precede one of the most powerful

kinds of communication known to humans: a story.

The power — even the magic — of storytelling is now being harnessed by small businesses aspiring to engage clients in new and vibrant ways, says Georgetown University adjunct marketing professor Rohit Bhargava, author of "Likeonomics" and the newly released book "Non-Obvious: How to Think Different, Curate Ideas and Predict the Future."

For the moment, forget the marketing buzzwords, Bhargava says, and focus on your story. Tell it with words, pictures, infographics and videos. Tell it well and tell it true. He says you don't need Shakespeare's talent or Spielberg's budget to make it happen. Instead, "listen in" on these six tips:



1. Find your story. What "Aha!" moment

made you jump into the cold and scary waters of the entrepreneurial pool? What inspired you to make a better widget or invent a new service? Isolate those memories and build your first piece of content around them.



2. **Can't write?**

Talk. If you're intimidated by a blank

computer screen, invite friends over and give them the Once-upon-a-time version. Let your passion surface. Describe the people who influenced you. Talk about your expertise and your vision. Record the conversation (make sure to get the other participants' permission to record it), then have a good editor shape it for publishing. This is your manifesto. Use it to inform every other piece of content you produce.



3. **Add**

value. Your story should reveal your

special skills. Ensure those skills become

evident by sharing the latest tricks of the trade, insider knowledge and industry updates. Make a point of checking online sources at least once a week for pertinent material to curate or pass on.



4. **Embrace**

visuals. Illustrate themes that emerge from your story – community service, for example – with candid and engaging photos. Make a short video of you and your staff designing a product. Or use free online tools like Piktochart to create captivating, relevant infographics. To keep costs down, do the basic work yourself, then hire a designer to polish your efforts.



5. **Hire**

out. You may want to get help from

outsiders with expertise in building the different components of your content marketing

package: your story, a website and/or blog, curation page, infographics and videos, for example, along with help on search engine optimization and when and where to post your material.



6. Keep up the

momentum. The challenge: maintaining current and vital content. The secret: If you enjoy creating a particular kind of content, you're more likely to update regularly. Do you have a feel for photos, an eye for infographics or a special interest in industry news? To build and maintain a successful long-term content marketing strategy, play to your strengths.

Rosa Harris is an award-winning newspaper columnist, editor of a Canadian credit union trade journal and a university lecturer.

