

Brokers brushing up on fixing bruised credit

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Several factors can ruin a deal for a potential homebuyer, from a low offer to a bad co-op interview. But during the downturn, with banks reluctant to hand out loans, one detail is particularly nettlesome: the credit score.

Low scores can slow or kill deals, but they also mean more business for Tracy Becker, head of North Shore Advisory, a credit education center. She's been trekking to some of the biggest residential firms in the city -- including the Corcoran Group, Prudential Douglas Elliman and Stribling & Associates -- to show brokers how to fix low scores.

"What's happening right now is banks are more and more rigid in terms of what they'll accept," Becker said. "Now the realtors are really on the front line of the process of closing on a property."

Bad scores take time to fix, Becker said, but brokers who quickly identify a potential credit score problem with a client can begin repairing it before putting in an offer.

"If the realtor finds out right in the first meeting that the client has a credit issue, we can clean up the credit within three to six months," Becker said. "It doesn't have to take the normal seven years for a late payment to stay on your credit report."

Frances Katzen, a managing director with Prudential Douglas Elliman and a client of Becker's, said credit scores have become a big issue for closing deals. "Everybody thinks they've got money and that it will never be an issue to get a mortgage. But the banks are being so stringent," Katzen said.

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