What Not To Do While You Are Buying Your New Homes
(if you are getting a mortgage)

Here are helpful hints to get you through the closing of your new home.
If at all possible, steer clear of the following "NO-NO's" until AFTER you have gone to settlement.

- **Do not take on new debt.** The temptation is strong. There are so many big purchase that people want to make in connection with a move: appliances, window treatments, furniture, etc. When you add to this the fact that, today, everyone offers easy terms and no money down - well, why not just do it? Answer: because it will change your debt to income ratios, could postpone closing as the lender waits for the new debt to be verified, and it could lower your credit score.
- **Do not close out any current credit card accounts, transfer balances, or pay off collections** without first consulting with your mortgage adviser.
- **Don't increase your credit card balances substantially.**
- **Do not change jobs or alter your compensation plan.** If at all possible, try not to make a career move during the time between your mortgage application and the closing on the home you are purchasing. But, you ask, "What if it's a BETTER job, for MORE money, in a DIFFERENT field?" Still, try and wait until AFTER closing. One of the factors mortgage companies consider is length of present employment; they are partial to stability. At the very least, changing jobs initiates the need for more paperwork, and may delay your closing.
- **Don't move money between bank accounts.** Lenders are required to verify most ALL deposits into the account(s) you are using for funds to close. The more you move money: the greater the paper trail you will be required to produce.
- Do not pack too soon. Well, go ahead and pack your clothes and dishes. **But do not pack your bank statements, tax returns, or other important paperwork.** Most especially, do not pack your drivers license or checkbook! More than one buyer has had closing delayed while a friend or relative hurried over with additional funds because the checkbook was in the moving van.
- **Do not lease a new car.** This should go under the general heading of "no new debt." It is highlighted here because, for some strange reason, many buyers do run right out and lease a new car during the time between mortgage application and closing! As with any debt, this will change your "Debt-to-income Ratios" and may cause you not to qualify for your mortgage.

In short, do nothing that negatively impacts your ability to qualify for your mortgage loan, or initiates a new round of paperwork. If you have any doubts about doing something that may affect your ability to qualify for your mortgage loan, please consult your loan provider before you do it.

These suggestions are merely that - suggestions. No one is saying, flat out, that bad things will necessarily follow if you do any of the above. They are offered as cautions. Many buyers seem to view the mortgage application procedure as a static action, a snapshot of their financial lives at a given moment in time. It's not. It's an on-going process that takes into account everything you do right up until the day of closing.

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