

Homeowners! Your Bonus Material Is Below!

THE ULTIMATE HOME TRANSITION BLUEPRINT —CHECKLIST



The Ultimate Home Transition Blueprint—BONUS

MORTGAGE QUALIFYING CREDIT EXPLAINED!



For Homeowners Planning To Transition
6, 12, or 18+ Months From Now!

MEET THE TEAM

YOUR HOME TRANSITION SPECIALIST

Chad Moore

Chad has been helping Calgary homeowners transition between homes since 2014. Chad will help you plan, execute and bring your Real Estate dreams to life.

Once your Mortgage is in place, Chad will help manage your Mortgage—seeking opportunities for you to save, where your bank will make less.

This Ultimate Home Transition Blueprint Checklist is designed to help you, before we are in touch working together!



MESSAGE FROM CHAD MOORE

I often put myself in the lenders shoes when thinking about credit.

If I am going to lend hundreds of thousands of dollars to someone, how do I gauge the likelihood they will repay me?

One simple way is to look backward into how I have repaid my previous debts. This is important to lenders!

Knowing this, and leading up to my home transition, I want to be aware of my credit bureau moving forward.

With the information found in the Ultimate Home Transition Blueprint Checklist, and this bonus material below, I want to educate you on making good credit decisions.

As cliché as this is, knowledge is power. From the school of hard knocks, I share with you these credit tips.

[] Chad Moore



***“My Outcome Is
Determined By My
Set Up”.***

***Let’s Get You
Set Up!***

THE ULTIMATE HOME TRANSITION BLUEPRINT —BONUS MATERIAL!

How To Take Control Of Your Credit—For Good!

Hey homeowners! As part of the Ultimate Home Transition Blueprint—Checklist document I created for you; I'm also giving you this additional bonus content!

Why?

Because I thought this information was important enough on it's own to be a stand-alone document. Also, if I included all this information in the original checklist, that document would have been even longer. I think chunking down information like this is better for the reader.

Often in my meetings with clients we discuss your Mortgage approval. And I reference your approval like a big puzzle we are putting together. Your credit score is a big piece of this puzzle.

Other pieces of the Mortgage approval puzzle are covered in the Ultimate Home Transition Blueprint, and additional bonus downloads (income, qualifying ratios, down payment etc)!

The material below is helpful in understanding your Mortgage affordability. I want to note that calculating the top half of the formula below is rather simple. Calculating the bottom half of the formula—income—is not nearly as routine.

If you're reading this bonus material, as part of planning your home sale and purchase—I recommend we personally connect right away.

You're here, online, and reading this material, which tells me you're serious about planning your smooth home transition. And I think that makes us a great fit to begin planning your next Mortgage approval! If you're 6, 12 or even 18 months from your planned home transition date—let's connect!

I look forward to hearing from you, by email or phone call!



403-809-5447

chad@canadamortgagedirect.com

MORTGAGE CREDIT EXPLAINED

BONUS: MORTGAGE CREDIT EXPLAINED

Here's what you'll learn reading below:

1. What is my credit bureau and credit score?
2. How to quickly establish my credit score if I am starting out?
3. How to supplement thin credit?
4. What makes up my credit score?
5. How to increase my credit score?
6. How do I unknowingly hurt my credit?

What Is My Credit Bureau And Credit Score?

My credit bureau displays my debt repayment history, my current outstanding liabilities and any payments for loan(s) I am responsible for.

Based on everything in my credit bureau, my credit score is produced. The details of my credit bureau, and my actual credit score, are a tool that Mortgage lenders look at to help determine the likelihood I will repay my Mortgage loan in full and on time.

The actual algorithm to create my beacon/credit score is an exact science, but not completely disclosed for public knowledge. Industry professionals have boiled down 5 important factors that do influence my credit score. These factors are explored later.

How To Quickly Establish My Credit Score If I Am Just Starting Out?

When meeting with clients in my office, moments before I click the "Request Bureau" button in their Mortgage application, I see people hold their breath, pause and stare at the screen with nervous energy.

I think these emotions flare up because I am not sure of the results I may see in my bureau OR am nervous I even have established my credit at all.

Have you heard the saying, the best time to plant a tree or start a business is 10 years ago? The same is true for a good-looking credit bureau.

Since we can't go back in time, the best time to start establishing your credit is TODAY. And here's how:

3 Easy Ways To Establish Your Credit Score Today:

One: Apply for a credit card with your Bank. When you receive your credit card in the mail, use it. It's not enough to let it sit in your purse or wallet, never to be used.

Buy some gas, groceries, book a flight or buy new shoes (*things in your budget*). In the beginning when establishing your credit, leave a small balance on your card. Do not pay the whole amount to zero.

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Every month the credit lenders report your credit information to Equifax and Trans Union. These are the credit agencies that keep, sort and establish your credit history.

Two: Leave a small balance on your credit card bill. DO make at least the minimum payment required for that month (every month) statement. But do leave a small balance in the beginning.

When trying to quickly establish your credit history, leave a small balance on your credit card so the credit lender has information to report to the credit agencies.

This will trigger the beginning of your credit history sooner. Don't worry about that small balance left behind. Yes, you have to pay interest on that amount, but hopefully you see the benefit to triggering a credit history sooner than later. Once your credit history is quickly initiated, continue to pay your credit card balance to \$0 every month.

Three: Purchase a pre-paid credit card. If your Bank is not comfortable setting you up with a credit card, save your money and purchase a pre-paid credit card.

Use this as a regular credit card, follow my advice from point number two above.

Eventually move away from the pre-paid credit card. Your credit lenders will offer you a traditional credit card that I recommend you take. Do not cancel your pre-paid card though! You'll read about the benefits of an established credit history below. You will eventually be offered higher and higher credit limits – I recommend increasing your limit to at least \$2,500.

Mortgage lenders also like to see a minimum of two trade lines in my credit history. A "trade line" is another way of saying "credit type".

A list of possible credit trade lines you might have are: credit card(s), personal line of credit, personal loan or an auto loan (these are different credit types).

The more diverse, established and healthy my credit history is, the better I look to Mortgage lenders. Remember, consider increasing the limit on your credit amount to a minimum of \$2,500. This holds more importance in your credit bureau than a \$500 credit limit credit card.

How To Supplement Thin Credit?

Sometimes Mortgage applicants have thin credit, or require additional credit support to have their applications approved.

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Typically, Mortgage lenders like to see a two-year history of near perfect established credit to feel comfortable lending me money. Now I hope you see why establishing a good credit score early is important!

IF I am dead set to purchase a home without a long and thick credit history, waiting two years to establish my credit may not be an option. Here are some ideas to consider accelerating the process ...

****Add A Co-signer****

A co-signer for a Mortgage application adds their income, assets, liabilities, and credit score. The co-signer's information is mixed with all other applicants information.

If the main applicant has enough income and down payment to qualify for the Mortgage, but lack reasonable credit history, a co-signer can support this missing aspect in the application (assuming all other parts of the application make sense).

Mortgage lenders like to have a well-rounded Mortgage application to help them feel secure approving the file. There is also another way around a "thin" credit history.

****Increase The Down Payment Amount****

IF I have a down payment that is a large portion of the homes value (25% or 35% for example), this begins to help offset my thin credit history when applying for a Mortgage.

As we've discussed, credit is an indication of the likelihood I repay my Mortgage, on time and in full.

Mortgage lenders will also consider the odds of me walking away from 25-30% equity position in my property as less risky versus only a smaller percentage down payment (5% for example).

In the event of a foreclosure, a 25% down payment or more, provides sufficient equity to sell the home without any loss to the Mortgage lender (again, limiting their risk).

In conclusion to supplementing thin credit, some ideas are adding a co-signer to the Mortgage application, or increasing down payment. Neither of these options guarantee credit approval—they do help though!

What Makes Up My Credit Score?

There are 5 major portions to my credit score that I need to understand so I remain in control of my financial future.

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Each area is weighted a little differently than other parts of my credit bureau. To make this easy, think of your credit score as a pie. Some pieces of the pie are larger, and therefore worth more compared to smaller pieces.

Mismanagement of ANY of these 5 areas could set back my Mortgage progress, costing me time, undue worry and anxiety. So let's get clear on these areas right now so you can create AAA credit rating!

A) Repayment History.

The past is the past. We cannot rewind the clock to change our credit history. What is in all of our control is being hyper aware of our current, and future credit repayment(s).

The recency of a missed credit payment is far more damaging than a missed credit payment years ago.

Some common scenarios for missing payments is address change, credit cards expiring, and canceling credit cards with small balances. Be aware!

B) Credit Utilization.

My revolving credit trade lines (credit card and or personal line of credit etc) all have a maximum limit. Credit utilization references where my credit balances are, relative to my credit limit.

The lower my credit utilization is, relative to my limit, the better that is for my overall credit score.

For example, if I have a \$2,500 credit card limit and my balance is only \$200 – the credit agencies like that.

On the other hand, if the balance on that same credit card was \$2,350 there is only a bit of credit room left on my credit card. My credit utilization is very high, near the maximum.

Now imagine if I have several credit instruments, all near the maximum credit utilization. The credit algorithm would lower my credit score due to this high utilization.

If a credit card is reporting a revolving credit instrument over the limit, plan for the Mortgage lenders to request confirmation the limit is below the maximum.

C) Length of Credit History.

Mortgage lenders like to at least a two-year credit repayment history to quickly approve a Mortgage application (I have contingency plans if this does not exist). This is why I recommend wisely cancelling credit cards.

Often, when families merge, Banking institutions also merge. Sometimes one spouse cancels their previous credit card(s) in the merger.

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Without proper planning this might erase well-deserved credit history.

A planned credit merger might mean establishing new credit at the new financial institution for several years, then canceling previous credit cards.

Again, the sooner I establish my credit (at least two trade lines) the thicker I am building my credit bureau, which reflects in a higher credit score.

D) Types of Credit.

Lenders like to see I am managing and paying DIFFERENT types of credit.

For example, if I have a credit card, line of credit, student loan or car payment, I have different trade lines AND am responsibly servicing different types of debt.

E) New Credit.

If I am frequently applying for credit, in a short period of time (for whatever reason), this activity will affect my score.

In the vertical of Mortgage qualifying, a Bank or Mortgage Broker checking your credit is referred to as a hard inquiry.

Having multiple financial institutions or Mortgage Brokers check your credit, in a short amount of time, will negatively impact your score. I suggest you wisely choose WHO you are working with first,

before proceeding down the path of WHAT the Mortgage product is etc. This will limit your exposure to undue multiple credit checks.

Be aware at sporting events or at airports for those companies offering the lure of free giveaways for a new credit card. They collect personal information, give the person a gift, check their credit, and if applicable send them a credit card in the mail.

Now I have credit established, and I understand what makes up my credit score; now how do I increase it?

How To Increase My Credit Score?

A) Increase My Credit Limit.

Be careful here. Extending credit limits, without personal discipline to withhold spending, is a recipe for disaster.

Increasing my credit limit will change the relationship to my credit balance and therefore reduce my credit utilization ratio. Or, just pay down your debt!

B) Payment Patience.

Sometimes the only “thing” I can do to increase my credit score is to allow time to pass.

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The more time between my most recent credit blemish, the more my score has a chance to improve.

C) Lock it Down.

I need to lock my credit down. No more hard credit inquiries by Banks, credit card companies, telecoms, etc. (I can check my own credit which is referred to as a soft inquiry).

Do not cancel any of my existing credit cards. Some times I am furious with my credit provider and make decisions while upset. Pause. Lock your credit down.

D) Focused Momentum.

While paying down debt, focus on the following priorities:

- i) Collections. If a bill is in collection, pay that to a \$0 balance first.
- ii) Over limit. Pay down balances that are over your credit limit.
- iii) Highest interest. Pay down balances that have the highest interest rates.
- iv) Personal consolidation. Debt consolidation through a Mortgage

refinance, personal loan at your bank or with a personal line of credit are all options worth exploring.

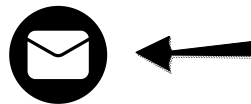
Sever credit cases happen. This might mean a consumer proposal, or bankruptcy. These cases, and solutions, are beyond the scope of this PDF. Please contact me directly.

In Conclusion ...

Thank you for reading this credit report I created for you. The frame I look at marketing my services is to earn your business through relevant and educational material that adds value to your life.

I would like to personally invite you to scheduling an initial phone appointment with me to help plan your home transition. My clients who engage me early in their search process end up with a knowledgeable and enjoyable overall Real Estate experience.

Talk soon,
Chad Moore



403-809-5447
chad@canadamortgagedirect.com

WHAT TO DO NEXT?

The key is planning your home transition well in advance. Why? Because there are going to be opportunities to improve your file, assist in decision making, and reduce regret. This is a big move for your family. A bit of time invested up front to plan your transition will save you stress, time and energy.



No. 01 – Let's Connect!

Reach out via email, phone or get your Mortgage application started.



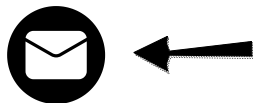
No. 02 – Let's Make A Plan!

The sooner we plan your home transition, the better. I don't see a downside to how early we start planning.



No. 03 – Execute The Plan!

The home transition plan we create for you will be unique and customized! I'll make this clear so you know exactly what to do next.



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QUALIFICATIONS

The Ultimate Home Transition Blueprint and bonus material is focused on helping plan your home transition—but that's not all I can help you with! Below is a list of other areas you might have a need for that I am professionally qualified to assist you with (no particular order):

- Mortgage renewal & refinancing.
- Rental or second home purchases.
- Debt consolidation, credit repair and HELOC's.
- First time home purchases.
- Alternative lending solutions.
- Divorce/separation financing.

Thank you again for reading this content. I look forward to speaking with you soon!



Contact

Chad Moore

Canada Mortgage Direct

100, 1721 10 Th Ave SW, Calgary AB

403-809-5447

www.chadmoore.co

chad@canadamortgagedirect.com