

## 'Credit Repair' Services Can Make Your Credit Worse, not Better

Recently a man walked into our South Golden Road office inquiring about rentals. After giving him the name of a company that handles rentals, I asked him why he wasn't considering purchasing a home.

The man explained that he had paid \$1,800 to a "credit repair" company which had actually made his credit worse, not better. As a result, he was less able than before to qualify for a mortgage.

Sadly, this was not the first time I had heard such a story.

There are definitely ways to improve your credit, but paying creditors less than you owe will actually cause your credit score to drop.

When I have a client who needs

to improve his or her credit score in order to qualify for a mortgage, I refer them to Bruce Gustafson of Crestline Mortgage. Bruce's goal is to help you qualify for a mortgage, which is how he gets paid. Helping you to improve your credit score is something he does for free in pursuit of that bigger goal.

Bruce is an expert in "what if" software which

tells him precisely how your credit score will change if you do this or do that. He does not try to negotiate settlement of debts. He just tells you what you could do to improve your credit score.

For example, he can tell you that paying down the balance of a

particular credit card by "x" dollars will raise your score by a certain number of points, which may be higher than paying off the credit card completely.

He'll advise you against closing credit card accounts and explain why. (Your score is higher if you use a smaller percentage of your credit limit. If you close a credit card, you eliminate part of your credit line. It's better to keep the account open with a smaller balance than to close it.)

Bruce has given our office lots of training in how he does what he does and as a result has gotten many referrals from us of buyers who need to raise their credit scores in order to buy a home.

You can reach Bruce Gustafson anytime on his cell phone at 303-596-0780.

### Do You Prefer a North Facing Driveway in Winter?

One of the recurring comments I get from buyers is that they don't want a home which faces north. A big reason is that the snow does not melt as quickly in the winter-time shadow of your house.

If you're like me, however, you don't hang out in your front yard. If your house faces south, then the backyard and your patio are facing north. I'd much rather have snow linger on my front yard in the winter than in my back yard. And once I clear snow from any paved surface, it's gone until the next snowfall. I much prefer having snow disappear quickly from the back of my house than from the front.

Something to think about!

**REAL ESTATE TODAY**



By **JIM SMITH, Realtor®**

### How Does Your Credit Score Relate to Getting a Mortgage?

Generally speaking, 640 is the minimum credit score to qualify for a conventional, FHA or VA loan. Note: The credit score you see when you check it online may differ from the credit score which a mortgage lender sees — they get a score which gives more weight to certain items on your credit history that are important to them.

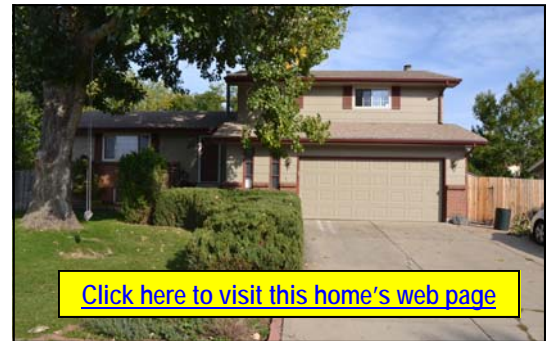
That said, if your personal credit score is close to or below 640, you may need to have someone like Bruce Gustafson (above) work with you on tweaking your credit score. He does not charge for this service if you're applying for a mortgage or refinancing.

It's important to know also that mortgage rates are tiered based on your credit score. For every 20 points your score exceeds 640 (up to 740), you might qualify for as much as a 1.5% lower interest rate. On, say, a \$400,000 loan, a 1.5% lower rate means a \$400 per month reduction in your monthly mortgage payment, or a \$140,000 savings over the life of the loan, so it's definitely worth speaking with someone like Bruce, even if your credit score is over 640.

## This Week's Featured New Listing

### Updated Arvada Home Really Shines!

This tri-level (with finished basement) at **5180 Beech Street** in southwest Arvada has been lovingly restored and updated with gleaming hickory hardwood on the main floor and brand new carpeting on the other levels. It has 4 bedrooms, 2.5 baths and 2,500 finished square feet of living space. There's a new 5-burner gas range and microwave in the kitchen. You truly won't have to do a thing after moving in! The home is on a quiet cul-de-sac, just south of 52nd Avenue. There are no covenants -- you can park your RV or boat on the concrete slab next to the driveway, or pull it through a gate into the backyard. Highly rated Drake Middle School is within walking distance. Priced to sell at **\$295,000**. I'll be holding it open this Saturday, 1-4 pm.



[Click here to visit this home's web page](#)



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