

What You Need to Know About Your Credit Score

While FHA loans technically require a minimum credit score limit of 580, higher scores in the 700+ range will get you better interest rates. Your FICO score will be one of the main determining factors for the type of loan you qualify for, and any increase in the interest rate can affect your overall monthly payment, and also what you end up paying over the life of the loan term.

There is a large disparity in how loans are approved between all the different lenders, so you may need to phone around to see what sorts of loans might be available to you.

Things That Can Hurt Your Credit Score

- What is your payment history like? Were you prompt with your payments? Late or missed payments will negatively affect your credit rating.
- If you owe more than 33% of your total credit line, that will dramatically lower your credit score. So, a great strategy is to pay down your credit cards below that 33% threshold.

