

Actions to Avoid After Applying for a Mortgage

1. Avoid making large purchases or even paying off debt after being pre-approved. Making any changes in your available cash can have a negative impact on your credit score. Closing out credit accounts affects your credit history.
2. Don't change jobs, even if it's a higher-paying job. This can cause a delay in closing due to verification requirements and raises questions about the stability of your income.
3. Do not apply for any new lines of credit, such as financing new furniture, applying for a credit card, co-signing on another person's loan, etc. This is often interpreted as a cash flow issue and affects your debt-to-income ratio making your loan riskier.
4. Late payments or unpaid bills will affect your financing approval. Be sure to stay on top of your current expenses.
5. Change bank accounts. Lenders need to source and track your assets and want a paper trail of your funds from the past 60-90 days to confirm the validity of your payment behaviors.
6. Don't deposit large amounts of cash in your bank account. Lenders have to source your money and cash is difficult to trace.