



## Important do's and don'ts when getting a mortgage:

- Ensure ALL loan repayments are made on time and in full
- Ensure ALL credit card balances are never above their limits
- Ensure all regular payments are made on time;
  - o Land rates
  - o Water rates
  - o Electricity / Gas
  - o Phone / Internet
- Ensure your bank statements don't have dishonoured payments or late fees showing on them

### **Tap & Go purchases are NOT YOUR FRIEND**

- Avoid buying coffee, multiple bar purchases (shouts), regular lunch / dinner purchases on your transactional account via tap and go payments.

This might be convenient for you; however, it leaves a very clear and sometimes detrimental trail of where and how often you spend your money to a prospective lender. Avoid this wherever possible.

Retailers still accept cash.

- Make clear and regular deposits to your main savings account and limit any withdrawals to this account unless necessary.
- Limit any unnecessary loan applications unless you are sure that you will be taking up the loan offer. Ie; don't shop your loan around thinking you can just take the best offer. We can tell you what the offers are without making a formal loan application to each lender and leaving a credit trail.



Lenders often use credit scoring (a process to grade your credit worthiness) to determine if your application should be approved or refused. All these factors will proportionality add up to create your credit score and this will be used to decide the outcome of your loan application.

Until this year your credit file only contained very limited information, however with the introduction of both **positive and negative credit reporting**, prospective lenders will know much more about your past and current credit history.

Previously, your credit file would only note loan applications, defaults, judgments or bankruptcies, but now it also includes simple things like;

- Late payments on credit cards
- Late payments on phone accounts
- Unpaid rates etc

Any of these abovementioned issues will now definitely cause a problem with obtaining a prime (best possible) loan.

This means that if a loan application has any of the above characteristics, the application will likely be downgraded in quality and then looked upon as either a near-prime loan or even a sub-prime loan.

The result being that you would potentially be looking at tighter approval standards, higher interest rates or potentially your application even being refused.

**Getting a mortgage is much easier if you follow the above rules.**

The inconvenience of not using the likes of “Tap & Go” for a few months prior to your loan application is a small price to pay for the long-term benefit of owning your own home.

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