

# How Your Credit Is Evaluated

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<http://www.HelpMeGetAHomeLoan.com>

Here is a quick list of things that lenders look at to determine your credit. It is not comprehensive, but it should give you a good idea of if you are going to get a good rate or not.

## **Do you pay your bills on time?**

Okay - this is important. Actually, this is the MOST important thing that a vendor looks at when determining whether or not you are going to get a loan.

Lending, like any other business, is about making money. If you don't pay your bills, chances are that you will not pay the vendor.

Don't be discouraged if you have had problems in the past paying your bills due to an external problem. Even though lending is a business, it is a business run by people. If you can show that you have made an effort to fix your credit, and the lender is convinced that you will pay in the future, you should have no problem.

## **How much credit history do you have?**

Honestly, if you do not have at *least* two years of established credit, you should not try for a home loan. Lenders want to see a history of payments before handing over a large sum of money.

## **What is your credit rating?**

Lenders like using "credit scores" to determine whether or not you will qualify for a loan. What is a "credit score"? A "credit score" is a number that lenders use to see if you are going to pay your loan off. This number ranges between 200 and 800, with most of the population between 500 and 600. If you have a score of 700+, you have great credit.

You can get your credit score at Fair Isaac's web site

(<http://www.fairisaac.com/>). You can also ask your lender for your credit score when you apply for your loan.