

Mortgage Financing With Bad Credit

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How to Position Yourself for Financing Success!

Whether you're a first time home buyer, moving to a new home or refinancing your existing mortgage, there are programs that allow you to get mortgage financing with bad credit. Some of these mortgage loans are government insured, while others are not. Some government insured, FHA loans will allow you to even purchase a home with a low down payment and they have very flexible guidelines such as, no income limits or credit scoring.

As was mentioned earlier with regard to mortgage loans, the best thing for you to do when looking for mortgage financing with bad credit is to talk to different lenders about the special programs that they have for people in your situation. It is important to understand that the more programs a mortgage lender has to offer, the higher your chances are of securing a good mortgage with bad credit. Be patient and shop around. Taking the time to sit down and compare the different types of programs among lenders gives you the control of getting the best deal for you.



Improve Your Credit Score

Neglecting payments and collections will have a negative effect on your credit report and in turn, will be a major obstacle in your negotiations. The longer that you pay your bills on time, the better your score will be. Remember that paying off all collection accounts does not remove the negative impact alone. It is important that you get your lender to agree (in writing) to report the account favorably or not report it all.



Another thing to prioritize to paying balances that are near their limits. Outstanding debts near their credit limits are a red flag to lenders. Refrain from opening new accounts that you don't need, unless you are utilizing them to rebuild your credit. Be careful and don't charge a lot, and use them solely as a tool to rebuild. Keep in mind that opening accounts can backfire and lower your credit score. Patience is a key tool for successful negotiations.