

NORTHSTAR FUNDING

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Credit Repair Roadmap

Your Step-by-Step Guide to Improving Your Credit Score for Mortgage Approval

Why Credit Matters for NON-QM Loans

While NON-QM loans are more flexible than conventional mortgages, your credit score still impacts your approval odds and interest rate. Most NON-QM programs require a minimum 580-620 credit score, with better rates available at 680+.

Credit Score Ranges & Impact

Score Range	Rating	NON-QM Impact
760+	Excellent	Best rates, lowest down payment
700-759	Good	Competitive rates, standard terms
660-699	Fair	Moderate rates, may need higher down payment
620-659	Poor	Higher rates, limited programs
580-619	Very Poor	Very high rates, 25%+ down payment
<580	Bad	Very limited options, hard money only

90-Day Credit Improvement Action Plan

Month 1: Audit & Dispute

- Pull your credit reports from all 3 bureaus (Experian, Equifax, TransUnion)
- Review for errors: wrong accounts, incorrect balances, duplicate entries
- Dispute all errors in writing with credit bureaus
- Pay down credit card balances to below 30% utilization
- Set up automatic payments for all accounts to avoid late payments

Month 2: Optimize & Negotiate

- Pay off collections under \$500 (or negotiate pay-for-delete)
- Request credit limit increases on good standing cards
- Become authorized user on family member's old, good-standing account
- Pay down highest interest rate debts first
- Keep credit card utilization under 10% for maximum score boost

Month 3: Maintain & Monitor

- Continue paying all bills on time (most important factor)
- Keep credit card balances low or at zero
- Don't apply for new credit (hard inquiries hurt score)
- Monitor credit score weekly for changes
- Get pre-qualified for mortgage to see where you stand

Quick Credit Score Wins

- **Pay Down Credit Cards:** Biggest impact - get utilization under 30%, ideally under 10%
- **Dispute Errors:** 79% of credit reports have errors - dispute them all
- **Authorized User:** Get added to parent/spouse's old account with perfect history
- **Pay For Delete:** Negotiate with collection agencies to remove paid collections
- **Goodwill Letters:** Ask creditors to remove late payments as one-time courtesy

What NOT to Do

- Don't close old credit cards (hurts credit age)
- Don't max out cards even if you pay them off monthly
- Don't apply for new credit within 6 months of mortgage application
- Don't pay off collections without negotiating removal first
- Don't ignore small debts - they hurt your score too

Ready to Get Mortgage Approved?

Even with credit challenges, NON-QM loans offer flexible approval options. Contact NS Funding to discuss your situation and get pre-qualified.

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