

## **Answering a Common Question: “What Credit Score Do I Need to Buy or Refinance a Home?”**

If you use a credit card or Charlottesville bank checking account’s online system, you may have noticed the appearance of a free service: FICO score tracking. You find it as a clickable area with a link title like “*Your FICO<sup>®</sup> score*” or just “*FICO<sup>®</sup>*.”

For many years, each of the major credit reporting agencies was mandated by law to honor any consumer’s request for a copy of their credit scores—but it was a once-a-year deal. For access to regular updates, you had to pay for a subscription. Particularly for consumers working to improve their credit scores, the paid services became a prudent monthly expense. The arrival of anytime free FICO score reporting eliminated much of that need.

Of course, tracking your FICO score is only useful if you know how the lending institutions will view it—and the answer to that is anything but clear-cut. Not only does each lender have their own confidential requirements, but since there are three separate reporting agencies, Charlottesville consumers have three FICO scores (and they’re rarely the same).

Even so, let’s face it: the single piece of information most everybody wants to know is *what FICO score is needed to buy a home? or to refinance a home?* Even if the answer is imprecise, it’s human nature to want a general these general questions answered.

To quell that curiosity, at least one source is willing to report what amounts to an average of approximations: it’s called EllieMae<sup>®</sup>. Ellie is a company that serves banks, credit unions, and mortgage companies by providing a raft of automated tools—but those are for industry insiders. As a sideline, they also put out a monthly *Origination Insight Report* with statistics drawn from the home loans processed through their systems—including some that most future Charlottesville home loan applicants will be interested to learn:

Average FICO score for conventional mortgage refis closed last month: 732

Average score for conventional purchases: 752

Average for FHA purchases: 681

Average FICO score — all loans: 724.

Average time needed to close: 43 days.

The percentage of mortgage refis grew to 39% of all loans, probably because interest rates decreased “for the sixth straight month” to 4.2%. EllieMae reckons that constitutes “a new 2017 low”—something Charlottesville refi and home loan applicants will be interested to know!

Those bargain basement interest rates continue to create a terrific opportunity for Charlottesville real estate. Call me for a no-obligation discussion about how you might take advantage of the current real estate environment!



**kw** | charlottesville

**SETH BATTON**

REALTOR, ABR®, e-PRO®, GREEN®

Born and raised in the Shenandoah Valley of Central Virginia, I love everything outdoors. Most of my free time is spent hiking, rock climbing, playing water sports, or cooking out on the back deck with friends. As a child, my parents built me with the core values of a southern gentleman. Trust starts with honesty and honesty builds integrity. I'm a technology guru! One of my favorite hobbies is restoring old homes in depressed neighborhoods to meet the needs of our generation today. My mission is to build a career worth having, a business worth owning, and a life worth living. Being GREEN® is more than just the resource efficiency of your home. It's a lifestyle choice! Let's discuss how to minimize your carbon footprint in everyday life by simplifying your daily commute, decreasing your household energy costs, and boosting the efficiency and sustainability of your daily routine!

I'm an Accredited Buyer's Representative (ABR®) with the National Association of Realtors. Which means I have extensive training to help walk you through the home buying process from start to finish. From lenders and home inspectors to mortgage agents and closing companies, together we will find the best home for your family's needs!

As an e-PRO®, I can show your home to over 500 million visitors today. And you don't even need to vacuum! Curb appeal isn't just about looking good from the street. It's about looking good from the digital highway!

### **For more information contact me at:**

***Seth Batton, Realtor***

***3510 Remson Ct., Suite 301***

***Charlottesville, VA 22901***

***(c) 540-241-1877***

***(w) 434-220-2200***

***SethBatton.com***

***[seth@FindHomesInCharlottesville.com](mailto:seth@FindHomesInCharlottesville.com)***



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