

2 Obscure Factors Influencing Charlottesville Mortgage Loan Decisions

Whether you are about to embark on your first Charlottesville home search or your umpteenth, unless you've managed to save enough to make you a cash buyer, soon you'll need to secure a mortgage loan from a bank or other lending institution.

To understand what lies behind any home loan decision, just do what any good business negotiator does: put yourself in the other guy's shoes. Getting a *yes* (and a low interest rate) from Charlottesville's lenders starts with demonstrating a history of responsible debt handling. That's been made easy by the major credit information gathering agencies, who've been collecting data since your first credit application. Those bits and pieces are compiled and analyzed by the Fair Isaac Company ("FICO"). Charlottesville lenders rely heavily on their FICO credit score to gauge the level of risk projected for any Charlottesville mortgage loan you might seek.

FICO has a good thing going. Nine out of ten U.S. credit decisions use FICO scores—which enables FICO to sell more than 27 million every day. The exact way FICO calculates their scores (and there are a variety of different ones) is a heavily guarded secret—but we do know the five components that go into each of them:

1. *Payment history* - hopefully, on time!
2. *Utilization* - percentage of available credit currently borrowed.
3. *Length* - amount of time each account has been open together with the most recent charge or payment.

The reasoning behind those three is pretty obvious; they make up 80% of how FICO scores are weighted. The last two are not so self-evident, yet each contributes 10%—and that can be decisive:

4. *New credit*.
5. *Credit mix*.

Number 4—*New credit*—registers how many new accounts have been opened or applied for within the last six to 12 months. It's a negative factor because it might reflect an urgent need for credit help—an added risk factor. To get the best terms for Charlottesville mortgages, refrain from opening a bunch of other accounts.

The last factor—*Credit mix*—rewards borrowers who have a variety of credit account types. If you've got some credit card accounts, that's just one type of credit. Add in a car or appliance loan, and even if you have never taken out a mortgage loan, those other two types give you a good "mix." Because managing revolving lines of credit differs from managing installment accounts, from a lender's point of view, a mix of responsible credit usage is preferable.

I'm here to help clarify the many ins and outs of searching for and securing the Charlottesville house you're hoping to find—or selling the one you've grown out of. I hope you'll call me!



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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!

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