
CREDIT TO KEYS™

7 Credit Mistakes That Quietly Kill Mortgage Approvals

The mistakes most homebuyers don't realize they are making until it's too late.



Why This Matters

Mortgage underwriting is designed to measure risk and stability.

Lenders evaluate patterns in your financial behavior to determine whether you are likely to repay a loan over time.

Certain actions can unintentionally create red flags in a borrower's profile, even if the borrower believes their finances are in good shape.

Avoiding these mistakes can dramatically improve your chances of approval.



Mistake #1

Missing Even One Payment



Payment history is the most important factor in credit evaluation.

Even a single missed payment can lower your credit score and create concerns for lenders.

Late payments signal potential financial instability, particularly when they occur within the past 12–24 months.

Before applying for a mortgage, it is critical to maintain a perfect payment history.

Consistency demonstrates reliability and strengthens your financial profile.

Mistake #2

Carrying High Credit Card Balances

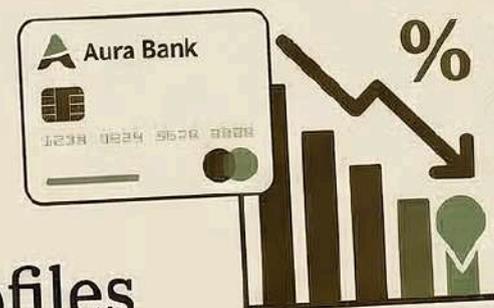
High credit card balances can negatively affect your credit profile even if you make payments on time.

This is because lenders evaluate credit utilization, which measures how much of your available credit you are using.

High utilization levels may signal financial strain.

Many lenders prefer to see balances below:

- **30%** of your credit limit
- Ideally closer to **10–20%** for stronger profiles



Reducing balances before applying for a mortgage can improve your financial presentation to lenders.

Mistake #3

Opening New Credit Accounts

Applying for new credit shortly before applying for a mortgage can create unnecessary risk.

New accounts generate credit inquiries and may temporarily lower your credit score.



They can also change your debt-to-income ratio, which lenders carefully review.

When preparing for a home purchase, financial stability is key.

Avoid opening new credit cards or loans unless absolutely necessary.

Mistake #4

Closing Old Credit Accounts

Many people believe closing unused credit cards improves their credit profile.

In reality, closing accounts can reduce the total amount of available credit and shorten the average age of your credit history.

Both factors can negatively impact credit scores.

Older accounts with positive payment history often strengthen a credit profile over time.

Keeping them open may be beneficial in many cases.



Mistake #5

Ignoring Errors on Your Credit Report

Credit reports sometimes contain outdated or inaccurate information.

These errors may include:

- Incorrect balances
- Accounts that do not belong to you
- Incorrect late payment reporting
- Duplicate collection accounts



Even small reporting errors can impact a credit score.

Reviewing your credit report regularly allows you to identify and correct inaccuracies early.

Mistake #6

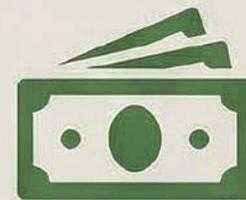
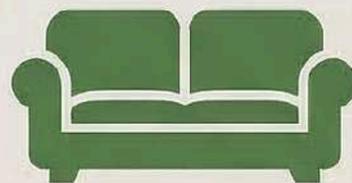
Making Major Purchases Before Closing

Large purchases during the mortgage process can change your financial profile.

For example:

Buying a car, financing furniture, or taking out a personal loan can increase your debt obligations.

This can affect your debt-to-income ratio and potentially impact loan approval.



Once you begin the mortgage process, it is best to avoid taking on new financial commitments.

Mistake #7

Waiting Until the Last Minute

One of the most common mistakes future homeowners make is waiting until they are ready to buy before reviewing their financial readiness.

Improving credit profiles, reducing debt, and correcting reporting errors can take time.

Starting early allows you to address potential issues before they affect your ability to qualify for a mortgage.

Preparation creates opportunity.



The Smart Approach to Homebuyer Readiness

Successful homebuyers take time to understand how lenders evaluate financial behavior.

By avoiding these common mistakes and improving key areas of your financial profile, you can move into the mortgage process with greater confidence.

Credit To Keys™ was created to help individuals replace financial confusion with clear guidance and a structured path toward homeownership.



Credit To Keys™

Helping future homeowners understand the system before the system evaluates them.

