K&G CAPITAL MORTGAGE

Credit Score Guide

What actually affects your score, and how to raise it before you apply

Your credit score is one of the biggest factors in what mortgage rate and terms you'll qualify for. The good news: it doesn't take years to make a meaningful improvement. Here's what actually moves the needle.

What Makes Up Your Credit Score

Factor	Weight	What It Means
Payment History	35%	Paying every bill on time, every time
Amounts Owed	30%	How much of your available credit you're using
Length of History	15%	How long your accounts have been open
New Credit	10%	Recently opened accounts or hard inquiries
Credit Mix	10%	Variety of credit types (cards, loans, etc.)

What Credit Score Do You Need?

- **Conventional loans:** typically 620 and up
- **FHA loans:** as low as 580 for 3.5% down (some programs go lower with more down)
- **VA loans:** no official minimum, though most lenders look for 580-620
- **Non-QM / alternative documentation:** flexible options for unique credit profiles

Five Ways to Improve Your Score Before You Apply

- Pay every bill on time, every month, without exception
- Pay down credit card balances to below 30% of your limit (below 10% is even better)
- Don't close old credit cards, even ones you don't use often
- Avoid opening new credit accounts in the months before applying
- Check your credit report for errors and dispute anything inaccurate

K&G Tip: *You're entitled to a free credit report from each bureau at annualcreditreport.com. Review it before you apply so there are no surprises.*

Common Credit Myths

"Checking my own credit hurts my score." False. Checking your own report is a soft inquiry and has no effect.

"I need perfect credit to buy a home." False. Many buyers qualify with scores in the 600s, especially with FHA or non-QM programs.

"Paying off a collection removes it immediately." Not always. It can take time to reflect and may still show as paid, but paying it off is still worth doing before you apply.

Not sure where your credit stands? We'll walk through your credit picture with you, at no cost, and tell you exactly what loan programs you already qualify for. Call us at (832) 813-0100.