

**FIRST TIME**  
*Homebuyer's*  
**Mortgage Readiness Workbook**



**YOUR GUIDE TO UNCOVERING YOUR  
CREDIT, SAVINGS & DEBT GOALS  
So You Can Buy Real Estate**

[WWW.STEPHANIECRAFTREALESTATE.COM](http://WWW.STEPHANIECRAFTREALESTATE.COM)

# STARTING IS HARDEST THE PART

Most of us long to own a home. We see this idealized place as our shelter in bad times. We love the thought of being able to decorate from top to bottom our unique specifications. Unfortunately, for many of us, buying a home is a difficult prospect because of one major drawback: a poor credit history. Bad credit almost always creates complications when trying to purchase something as big as a home.

That three-digit credit score and our credit report can make the difference between being granted a home loan and being rejected out of hand. Why? Because our credit report tells a financial story of us as payers of debt, and it has a long memory. Few people manage to go along forever without making a single financial mistake, and the fact is that many times, those people who pay cash for everything, end up with a lower credit score than those of us who juggle debt.

The worse your credit report is, the harder it will be to acquire a home loan. That is why it is imperative before you go house shopping and long before you need to move, to study your credit report and clean it up as much as you possibly can. In several months to a year's time, you can improve your credit report and raise your credit score. Then you will have a much better chance of moving into your own home at a competitive interest rate.



# PLAN YOUR DREAM HOME

It's important to start thinking about your dream home now. Start to write down these details and spend this week thinking about the things you love about your current home or things you realize you need or wish you had.

Single family    Condo    Townhouse    Patio home

Multifamily    Multi-generational    Land

Dwelling type

Cities

Bedrooms  to

Bathrooms  to

Square footage  to

Floors    One story    Two story    Three story    Basement

Garage spaces    One    Two    Three    Four    RV garage

Pool    YES    NO

Lot size  to

# SECTION 01

## Understand & Audit Your Report

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**ADDRESSING A POOR OR OKAY CREDIT SCORE CAN SEEM INTIMIDATING, BUT THERE ARE A FEW TRIED AND TRUE WAYS OF HELPING TO FIX IT. JUST BECAUSE YOU HAVE A LOW CREDIT SCORE NOW DOESN'T MEAN YOU CAN'T BRING IT UP INTO THE AVERAGE OR ABOVE-AVERAGE RANGE. WE'LL HELP YOU GET YOUR CREDIT WHERE IT NEEDS TO BE SO YOU CAN BUY THE HOUSE OF YOUR DREAMS.**

# REVIEW YOUR CREDIT REPORT

**UNDERSTANDING THE INFORMATION IN YOUR CREDIT REPORT IS A KEY PART OF ADDRESSING A POOR CREDIT SCORE. THERE ARE A FEW CRITICAL THINGS THAT GO INTO DETERMINING YOUR CREDIT SCORE, INCLUDING:**

**01**

The longer you've maintained open credit lines, the more positive impact they have on your credit score. Basically, you're showing that you can successfully maintain credit over time.

**02**

The more debt you have, the more negatively it affects your credit score. Paying off debts, like student loans and smaller-limit credit cards, can help raise your score.

**03**

If you've paid your bills on time across all your lines of credit, you should expect to see positive growth in your credit score. Things like missed or late payments, or defaulting on a line of credit altogether, will negatively affect your score.

**04**

While the number of credit cards you have doesn't have a strong effect on your score, it can help or hurt depending on other factors like payment history and debt. If you have three or four credit cards and pay them off regularly, there's a good chance your credit score is benefiting from that. But if you have three cards that you miss payments on, there's a good chance your score is being negatively impacted.

# DISPUTE ERRORS ON YOUR CREDIT REPORT



Mistakes Happen – Get Them Fixed Every year, a whopping 25% of people who get declined for a mortgage had errors in their credit report. (And by “errors,” I mean inaccuracies).

When you spot them, it’s up to you to fix them. Before you can begin disputing, you need to know what to dispute!

Print out a copy of a credit report, grab a pen, and comb through it looking for reporting issues. This will help you in knowing and understanding what to dispute.



# GET YOUR CREDIT REPORT

## Annual Credit Report

[www.annualcreditreport.com](http://www.annualcreditreport.com)

The free version, doesn't provide credit scores nor credit monitoring – I personally find that annual credit reports are a little harder to read – you have to print out each report separately (TransUnion, Equifax, Experian), vs that of a tri-merge report which has the 3 Bureaus side by side. This makes it very easy to see how each account is being reported by the 3 Bureaus and they are side-by-side.

But having some way to review your report is the goal here

## Credit repair services

AI-Powered [Credit Repair Service](#)

Through our partnership with a leading Credit Repair Company, we offer you an AI-powered solution that takes the stress out of credit disputes.

Here's how it works: You simply select the item on your credit report that you want to dispute and choose the suggested reason for the dispute. From there, our AI-powered system takes care of the rest. No more tedious letter writing or mailing; it's all handled seamlessly on your behalf.

With minimal effort on your part, you can see significant improvements in your credit score and pave the way for better financial opportunities. Let us help you take the hassle out of credit repair so you can focus on achieving your homeownership goals with confidence!"



## Credit Monitoring Services

[Identity IQ.](#)

Side by side comparison of you information from Experian, TransUnion, Equifax Easily spot errors and regularly check on your credit scores provided for mortgage, auto, banking / credit card / lending \$1 mill identity theft insurance



# IDENTIFY ITEMS FOR POSSIBLE DISPUTE

**Check mark the items that are true on your report**

## Score Section

The score section is straightforward and will list the scores generated at the time the report is pulled.

\_\_\_\_ Do you see “No Score” appearing? (If no qualifying accounts, you need one or more new accounts to generate a score)

## Personal Information Section

It’s important to remove all outdated and incorrect personal information because it could be tied to negative accounts and also is a red flag to lenders and employers.

- \_\_\_\_ Is the name or alias incorrect or misspelled?
- \_\_\_\_ Is the date of birth and social security number correct?
- \_\_\_\_ Is the current and previous addresses reporting correctly?
- \_\_\_\_ Is the current and previous employment information accurate?
- \_\_\_\_ Is the client mistakenly reported as deceased?



# IDENTIFY ITEMS FOR POSSIBLE DISPUTE

**Check mark the items that are true on your report**

## **Accounts/Tradeline History Section**

Go through each negative account to identify inconsistencies and errors.

- \_\_\_\_\_ Any negative items (late payments, collections, charge-offs) over 7 years old?
- \_\_\_\_\_ Any clerical errors or misspellings?
- \_\_\_\_\_ Any duplicate accounts (same account listed with multiple collection agencies)?
- \_\_\_\_\_ Any incoherent late payment sequencing. Any missing information (status/balance/account type/limit etc.)?
- \_\_\_\_\_ Should this account be open or closed?
- \_\_\_\_\_ Is this the correct account type?
- \_\_\_\_\_ Is the status correct?  
(open/closed/current/past due etc.)
- \_\_\_\_\_ Is the status date correct?(Incorrectly renewed status date )
- \_\_\_\_\_ Is the balance incorrect or inflated?
- \_\_\_\_\_ Is the credit limit correct?
- \_\_\_\_\_ Is the high credit amount correct?
- \_\_\_\_\_ Were you late on the \_\_\_\_\_ date?
- \_\_\_\_\_ Are you a joint account holder or authorized user?
- \_\_\_\_\_ Are you a cosigner on this account?
- \_\_\_\_\_ Does this account belong to you?
- \_\_\_\_\_ Is there anything else about this account, the details or comments which are inaccurate?
- \_\_\_\_\_ Were you on active military duty while this account went delinquent?
- \_\_\_\_\_ Were there any excuses for the delinquencies (late mail, medical, loss of job, divorce)?



# IDENTIFY ITEMS FOR POSSIBLE DISPUTE

**Check mark the items that are true on your report**

## Public Records

Public record reporting is notoriously full of errors. It's important to go through any items in this section to identify the inaccuracies so you can work to remove them.

- \_\_\_\_\_ Do you see any liens? (Liens should never appear)
- \_\_\_\_\_ Chapter 13 bankruptcy over 7 years after repayment plan ends
- \_\_\_\_\_ Chapter 7 bankruptcy over 10 years from the filing date
- \_\_\_\_\_ Post discharge bankruptcy debt balance
- \_\_\_\_\_ Judgments over 7 years after first payment missed
- \_\_\_\_\_ Any judgments appearing that you were not involved in?
- \_\_\_\_\_ Have you ever filed for bankruptcy? If so, was it a Chapter 7 or 13?



## Inquiries

Inquiries appear when your credit report is pulled and can reduce your scores. Even though they appear for a short period of time, it's important that you remove as many as possible to optimize your scores.

- \_\_\_\_\_ Is this hard inquiry over 2 years old?
- \_\_\_\_\_ Any duplicate inquiries on the same day?
- \_\_\_\_\_ Did you authorize this credit pull?



# CREATE YOUR DISPUTE ACTION PLAN

**Figuring out what to actually dispute on your credit report can be very confusing so I am going to break it down into manageable chunks.**

## MAKING NOTES

As you create your "The Action Plan" you will be marking the credit report so that you can dispute quickly after your initial credit report evaluation and audit. I recommend that you either print your credit report and write on it as you do the evaluation OR save as a PDF so you can use your pen if you have one with your laptop or tablet so that you have good notes. Do what works for you but **TAKE NOTES directly on your credit report so that you can refer back to them later. THIS IS VERY IMPORTANT.**

This is how I mark my credit reports:

**REVOLVING #1** - I will write this if I come across an open credit card account so I know that they have one.

**REVOLVING #2** - I will write this if I come across a 2ND open credit card account so I know that they have TWO. Do this (revolving 3, 4, etc.) for all open (with the original creditor / lender) revolving credit accounts.

**INSTALLMENT #1** - I will use this designation for an OPEN installment account such as an auto loan. Do this for all open installment notes (installment #2, #3, etc. that are with the original creditor/lender)



**Note** - While going through this process I am also looking to make sure that there are at least 3 open accounts - 2 revolving and 1 installment - so that I know whether or not I need add secured cards or a self-lender account into an Action Plan.

# CREATE YOUR DISPUTE ACTION PLAN

## OK

I write OK next to an account if the item is one of the following and **I DO NOT DISPUTE THEM** (you run the risk of the creditor closing the account due to what they believe is fraud when you dispute on an open account):

- Current Open Revolving Account
- Current Open Installment Account
- Current Open Mortgage
- Current Open Auto Loan
- Old, closed account in good standing (these are helping your credit!)
- Late Payments that are over 24 months old and are on an otherwise good account (you can try requesting a Goodwill adjustment – see Late Payment Dispute Guide)

If your goal is to purchase a home or apply for a loan, most Lenders will require that collection or charge-off accounts show a \$0 balance or are deleted from the credit report.

If you have student loans that are in default - **REHAB** - I use this designation for any student loans that are in **DEFAULT AND I AM RECOMMENDING A REHABILITATION PROGRAM to get them back in good standing.**

**OUTDATED** - If the account is supposed to be automatically deleted in the next 12 months I use this designation. This tells me that I will use the outdated dispute when I draft the letters.



# CREATE YOUR DISPUTE ACTION PLAN

## **PAY-for-Delete**

If there are any collections or charged off accounts that are less than 24 months old, I would recommend researching the collection agency online (go to their website) to see if they offer Pay-for-Delete options. If it's within reason, I would recommend doing a Pay-for-Delete. The reason being is as mentioned above – most lenders will require that a collection or charge-off account be settled and show a \$0 balance. I also recommend that you consider this option for any collection account that is less than \$500 but older than 24 months.



## **DO NOT DISPUTE**

If I do not want to dispute an item then I clearly mark it and make sure that I mark it as **DO NOT DISPUTE AS THE REASON**. I would do this if I do not want to trigger a lawsuit on a specific account.

What triggers a lawsuit? If your collection / charge-off account has been purchased by a debt buyer (charged-off accounts that have been sold to a third party – that third party is typically a debt buyer, do your research (go to their website).

**NOTE** - Regarding your collection accounts – if you have any accounts that are with third party collection company, especially with accounts that have been charged off and sold to a collection company, take a moment to research the collection company to see if the collection company is an actual debt buyer. A debt buyer is known to sue. You will want to tread very carefully with a debt buyer because there is a chance that you disputing the account could result in them filing a lawsuit and taking you to court for the amount owed.

# CREATE YOUR DISPUTE ACTION PLAN

## Credit Building

Make credit building a part of the Action Plan. This will help increase your scores at the same time that you cleaning up your report. Be careful not to apply for account that will require a hard inquiry. This would just be counter productive to what you are trying to accomplish.

Do you have at least 2 major credit cards (Visa, MasterCard, etc.)? If not, I would recommend looking to secure a secured credit card that can graduate or become an unsecured credit card. You can check with your bank or credit union to see if they have such a card.

Credit Builder Card is a secured credit card marketplace. Based on the state you live in, you'll be match you with a secured credit card that has a low \$200 security deposit and reports to all 3 credit bureaus. This build credit and reach their financial goals while avoiding credit cards that charge interest rates over 30%, high annual fees and application fees. [Sign up here](#)

Do you have at least 1 short-term installment loan (personal loan, auto loan)? If not, then I would recommend checking with your bank or credit union to see if they offer a short-term installment loan.

You can also look into Self Lender - reports to all 3 credit bureaus with no hard credit pull and no credit history required. Self Lender acts as a short-term installment loan - you get a small loan that you save in a CD for 12 or 24 months. [Sign up here.](#)

You can also check out Kickoff a credit-building service that offers several products to help individuals improve their credit scores safely and effectively. One of its primary benefits is that it reports your credit activity to all three major credit bureaus: Equifax, Experian, and TransUnion. This reporting occurs monthly, typically at the beginning of each month, which helps users establish and maintain a positive credit history. [Sign up here.](#)

**I personally used these accounts during my credit repair/credit building journey to help me build my score up to 750 and I still have active accounts with them today because they work.**



# Credit Score Goals

Credit score requirements can vary among different mortgage loan types and lenders. However, here's a general guideline for common mortgage loan types:

## 1. **Conventional Loans:**

- Typically, a minimum credit score of 620 is considered acceptable. However, for the best interest rates and terms, a higher score, often above 700, is preferable.

## 2. **FHA Loans:**

- The Federal Housing Administration (FHA) is more lenient, and some lenders may accept a credit score as low as 500 with a larger down payment. However, a score of 580 or higher is more commonly required for a lower down payment.

## 3. **VA Loans:**

- The Department of Veterans Affairs (VA) does not set a minimum credit score requirement, but many lenders prefer a score of 620 or higher for VA loans.

## 4. **USDA Loans:**

- The United States Department of Agriculture (USDA) typically requires a credit score of 640 or higher. However, some lenders may consider lower scores on a case-by-case basis.

It's important to note that these are general guidelines, and individual lenders may have their own specific requirements. Additionally, a higher credit score generally results in better interest rates and terms, that being said I strongly advise potential homebuyers to aim for the highest credit score possible before applying for a mortgage loan, but **a minimum of at least a 660-680**

Current Credit Score

Credit Score Goal

# Credit Score Goals

## Top Three Priorities

1

2

3

## Action Plan

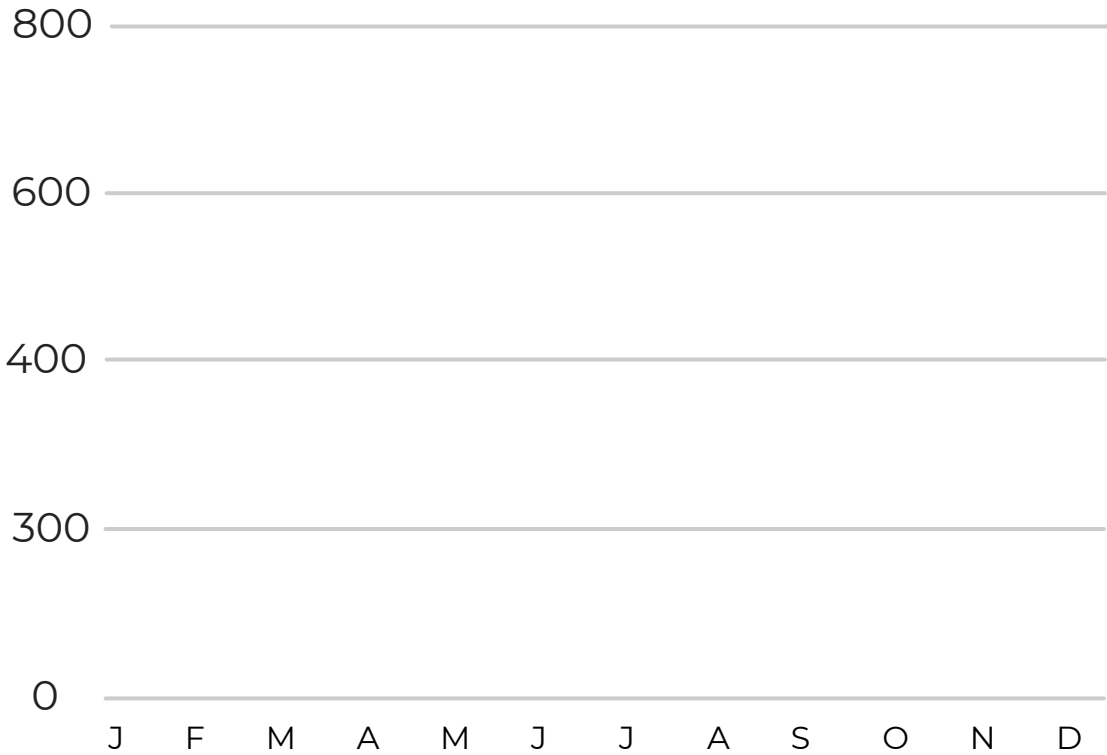
Action Steps

Impact on Score

## Notes

# Credit Score Tracker

Year	Beginning Score	Goal



Q1

Q2

Q3

Q4

January	April	July	October
February	May	August	November
March	June	September	December

# TAKE ACTION

homework

01

**PULL YOUR CREDIT REPORT FROM THE ANNUAL CREDIT REPORT SITE.**

02

**VERIFY ALL INFORMATION ON THE REPORT IS CURRENT AND ACCURATE.**

03

**IF INFORMATION IS INACCURATE, BEGIN YOUR DISPUTES. [DIY DISPUTE LETTERS HERE](#)**



# SECTION 02

## Payments

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**IF YOU'RE CARRYING CREDIT CARD DEBT, YOU'RE NOT ALONE. MILLENNIALS IN THE U.S. HAVE AN AVERAGE OF \$4,712 EACH IN CREDIT CARD DEBT. WHEN USED THE RIGHT WAY, CREDIT CARDS CAN BE A USEFUL FINANCIAL TOOL. BUT WHEN DEBT STARTS TO PILE UP, PEOPLE OFTEN FIND IT HARDER TO PURSUE THEIR DREAMS, LIKE OWNING A HOME.**

# PAY DOWN YOUR BALANCES LIKE A BOSS

Tackling your credit card debt takes persistence, patience, and time. Rome wasn't built in a day, so your debt won't be erased overnight. But taking small steps can lead to a big payoff in the end.

Setting up a concrete goal ("I want to be debt-free by this time next year") will help keep you, and your debt, in check. There are lots of ways to go about eliminating your credit card debt.



# FIND A PAYMENT STRATEGY

01

Pay more than the minimum. Credit card issuers set a monthly minimum payment, usually based on a percent of your total balance. While it can be tempting to pay only this amount, these odds are stacked in the bank's favor. Banks make money on the interest they charge you to carry that balance each month, so your \$5 cup of coffee costs much more in the long term. Paying even just a little more than the minimum will help you get closer to debt-free.

02

Try the snowball method.; This strategy gives you quick short-term victories. The Snowball Method prioritizes paying your loans by their amount — smallest to largest. You pay the minimum on all of your debt, focusing your efforts on the loan with the smallest amount. When you've paid that one-off, you focus on the next smallest loan. Like a snowball rolling down a hill, you'll make bigger and bigger payments over time until your debt is gone.

03

The avalanche approach. Another way to tackle debt is the avalanche approach. Rather than paying off your smallest debt first, you'll focus on the card with the highest interest rate. Crunching the numbers, this strategy is more likely to help you pay off debts more quickly and save the most money on interest charges.

04

Automate payments. Make sure you don't accidentally miss a monthly payment to avoid extra late fees. You can set up automatic payments through your bank account, this can be done quickly these days.



# INCREASE YOUR INCOME

There are two basic ways to get out of debt: paying off loans and increasing your income. But be careful not to spend that extra money to create more debt. Put it toward paying off your balances, and you'll be in good shape.

**Side hustle.** Use your skills to freelance outside of your regular work hours to bring in extra income. You'll be in good company — an estimated 57.3 million Americans are freelancing (36% of the total workforce).

**Get training.** Looking to break into a new line of work? Find out what skills you'll need to do the job, and seek out training to help you up to your game effort.

**Take a look at your career path.** How do you see your life unfolding in a year? In five years? Take a look at your professional career to see if it's a good fit for your dreams. If not, it might be time to make a change. Finding the right job doesn't happen overnight, but it's well worth the effort.



# Why Knowing Your Debt-to-Income Ratio Matters

Lenders use DTI to peek into your financial snapshot. It's a ratio of how much of your monthly income goes to paying debts. The lower, the better! Lenders usually look for a DTI of 43% or less. Go beyond, and it might raise some eyebrows, so keeping it under that 43% sweet spot will help to make a smooth loan approval.

## TOP 3 THINGS YOU CAN DO TO GET YOUR DTI IN LINE

### Trim Those Monthly Bills:

- Cut down on non-essentials. Your streaming services won't mind a little break, trust me.

### Boost That Income:

- A side hustle, freelance gig, or leveling up at your current job - more income means a better DTI.

### Attack High-Monthly Payment Debts First:

- Knock out those credit cards or loans with high monthly payment. It's like freeing up extra cash in your cash flow that can go toward paying other debts a lot quicker.

# How to Calculate Debt-to-Income Ratio

## Enter Your Monthly Gross Income:

- Locate the "Income" section in the table.
- Input your monthly gross income amount in the designated cell
- Enter the amounts for any extra income in the respective cells.

## Calculate Total Monthly Income:

- Sum up your monthly gross income and additional income sources, then input the result in the corresponding cell.

## Input Debt and Obligations:

- Move to the "Installment Debt," "Revolving Debt,"
- Enter the amounts for each category in the respective cells.

## Calculate Total Monthly Debt:

- Add up the amounts for installment debt, revolving debt, and other debt obligations. Input the total in the corresponding cell.

## Calculate Debt-to-Income Ratio:

- Move to the "Debt-to-Income Ratio" row.
- Use the provided formula to calculate your debt-to-income ratio:

# Expense Examples

## FIXED EXPENSES

- Mortgage or rent
- Property taxes
- Homeowners' or renters' insurance
- Utilities (electricity, water, gas, etc.)
- Internet and cable bills
- Phone bill (cellular or landline)
- Car loan payments
- Auto insurance
- Health insurance
- Life insurance
- Student loan payments
- Credit card minimum payments

## VARIABLE EXPENSES

- Groceries
- Dining out
- Transportation (fuel, public transit)
- Entertainment (movies, concerts, subscriptions)
- Clothing and personal care
- Home maintenance and repairs
- Gym or fitness memberships
- Childcare expenses
- Pet care expenses
- Tuition and education costs
- Charitable donations

## IRREGULAR EXPENSES

- Car maintenance and repairs
- Home improvement projects
- Gifts for holidays and special occasions
- Travel expenses
- Vehicle registration and inspection
- Annual insurance premiums

## SUBSCRIPTIONS/MEMBERSHIPS

- Magazine or newspaper subscriptions
- Streaming services (Netflix, Spotify, etc.)
- Professional memberships

## PERSONAL/DISCRETIONARY

- Hobbies and interests
- Personal allowances for family members
- Spa or salon visits
- Non-essential purchases

## MISCELLANEOUS

- ATM fees
- Bank fees
- Late fees and penalties
- Any other specific expenses unique to your situation

## HEALTHCARE

- Medical and dental expenses
- Prescription medications
- Health savings account (HSA) contributions

## DEBT PAYMENTS

- Additional payments on loans or credit cards
- Paying off student loans
- Paying off personal loans
- Paying off medical debt

## TAXES

- Income tax (federal and state)
- Property tax
- Sales tax
- Business taxes (if applicable)

## SAVINGS AND INVESTMENTS

- Retirement savings
- Emergency fund contributions
- 401(k) or IRA contributions
- Brokerage account investments
- College savings
- Other savings goals (e.g., vacation, home renovation)

## SINKING FUND EXAMPLES

- Car Maintenance/Repairs
- Home Repairs/Maintenance
- Vacation/Travel
- Medical and Dental Expenses
- Education/School Expenses
- Gifts for birthdays/christmas
- Pet Care
- Appliances/Furniture
- Annual renewals
- Self-care
- Clothing

# Debt Examples

## INSTALLMENT

- **Mortgage Loan:** A loan used to finance the purchase of a home, with regular monthly payments over a set period.
- **Auto Loan:** Financing for the purchase of a vehicle, with fixed monthly payments until the loan is paid off.
- **Personal Loan:** Unsecured loans for various purposes, such as debt consolidation, home improvements, or unexpected expenses, with fixed monthly payments.
- **Student Loan:** Loans taken out for educational expenses, with set monthly payments, typically deferred until after graduation.
- **Home Equity Loan:** A loan using the equity in your home as collateral, with fixed monthly payments.
- **Appliance or Furniture Financing:** Loans specifically for purchasing appliances or furniture, with regular payments over time.
- **Boat or RV Loan:** Financing for the purchase of boats or recreational vehicles, with fixed monthly payments.
- **Medical Bill Financing:** Loans or payment plans to cover medical expenses, often with fixed monthly payments.
- **Personal Line of Credit:** A pre-approved amount that can be borrowed, usually unsecured, with fixed monthly payments.
- **Small Business Loan:** Loans taken out for business purposes, with regular monthly payments.

## VARIABLE EXPENSES

- **Credit Cards:** Cards with a credit limit that can be used for various purchases, with a monthly minimum payment.
- **Store Credit Cards:** Cards issued by specific retailers, allowing purchases at their stores with a revolving credit limit.
- **Home Equity Line of Credit (HELOC):** A line of credit using the equity in your home, with a revolving credit limit.
- **Personal Line of Credit (Revolving):** Similar to installment personal loans but with a revolving credit line, allowing borrowers to use and repay as needed.
- **Bank Overdraft Protection:** A line of credit linked to a checking account to cover overdrafts, often with a revolving balance.
- **Gas Credit Cards:** Credit cards specific to gas stations, often offering rewards for fuel purchases.
- **Department Store Cards:** Credit cards issued by specific department stores, usable only at their locations.
- **Travel Rewards Credit Cards:** Cards that earn rewards for travel-related expenses, often with a revolving credit limit.
- **Business Credit Cards:** Cards designed for business use, often with revolving credit and business-related rewards.
- **Peer-to-Peer Lending Platforms:** Platforms that facilitate lending and borrowing between individuals, with revolving credit structures.

# Debt-to-Income Ratio Worksheet

	Month		Year
--	-------	--	------

## INCOME

Source	Amount	Amount		
Income Source #1				
Income Source #2				
Income Source #3				
Total:				

## SUMMARY

Source	Amount
(+) Income	
(-) Fixed expenses	
(-) Variable expenses	
(-) Debts	
Total Left Over for Snowball/Savings	
Total Debt Divided By Total Income = DTI	
Debt-to-Income Ratio	

# Debt-to-Income Ratio Worksheet

	Month	Year
--	-------	------

## FIXED EXPENSES

Account	Monthly Payment	Due Date
Total:		

## VARIABLE EXPENSES

Account	Max Monthly Payment	Payment Date
Total:		

## INSTALLMENT DEBT

Account	Minimum Payment	Total Owed
Total:		

## REVOLVING DEBT

Account	Minimum Payment	Total Owed
Total:		



# DEBT PAYMENT TRACKER

<b>CREADITOR</b>		
<b>ACCOUNT NO:</b>		
<b>INTEREST RATE:</b>		
<b>STARTING BALANCE:</b>		
<b>DUE DATE:</b>		
MONTH	PAID	BALANCE
JAN		
FEB		
MAR		
APR		
MAY		
JUN		
JUL		
AUG		
SEP		
OCT		
NOV		
DEC		

<b>CREADITOR</b>		
<b>ACCOUNT NO:</b>		
<b>INTEREST RATE:</b>		
<b>STARTING BALANCE:</b>		
<b>DUE DATE:</b>		
MONTH	PAID	BALANCE
JAN		
FEB		
MAR		
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SEP		
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DEC		

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MONTH	PAID	BALANCE
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FEB		
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<b>STARTING BALANCE:</b>		
<b>DUE DATE:</b>		
MONTH	PAID	BALANCE
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FEB		
MAR		
APR		
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DEC		

# DEBT PAYMENT TRACKER

<b>CREADITOR</b>		
<b>ACCOUNT NO:</b>		
<b>INTEREST RATE:</b>		
<b>STARTING BALANCE:</b>		
<b>DUE DATE:</b>		
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# DEBT PAYMENT TRACKER

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## SECTION 03

# Savings Goal

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**SAVING TOWARDS HOMEOWNERSHIP IS CRUCIAL FOR REALIZING YOUR DREAMS. EVERY PENNY SAVED BRINGS YOU CLOSER TO OWNING YOUR HOME AND HELPS BUILD GOOD MONEY HABITS FOR A SMOOTHER FINANCIAL JOURNEY AHEAD.**

# How Much Do You Need to Save Worksheet

## Step 1: Determine Your Desired Area and Home Type

- Enter the specific location or area you desire to live in
  - \_\_\_\_\_
- Research Home Prices:
  - Utilize online resources like Google, Zillow, or consult your realtor to find out how much homes of your desired type are currently priced in the chosen area.

## Step 2: Set Your Purchase Price Goal

- Based on your findings what's the sales price of homes in your desired are? Or how much do you want to spend on a home? (This will serve as a potential pre-approval amount not actual, just a base line for saving)
  - \$\_\_\_\_\_

## Review the Loan Types and Minimum Requirements for Down Payment and Closing Cost

- **FHA Loan:**
  - Down Payment: [ 3.5%]
  - Closing Costs: [ about 4%]
- **USDA Loan:**
  - Down Payment: [0%]
  - Closing Costs: [4%]
- **Conventional 5% Down Loan:**
  - Down Payment: [5%]
  - Closing Costs: [4%]
- **VA Loan:**
  - Down Payment: [0%]
  - Closing Costs: [4%]

# Savings Goal Worksheet

## Step 3: Set Your Savings Goal:

- Now take your desired purchase price and multiply it by the percentage of the one of the loan programs you'd most like to qualify for and Savings Goal:
- What is your total savings goal?
  - \$ \_\_\_\_\_

Do you have any savings? (Yes/No)

If yes, how much savings do you currently have? \_\_\_\_\_

Subtract any savings you already have from your savings goal. This is your final savings goal number. \$ \_\_\_\_\_

## SAVINGS

Source	Saving For?	Amount
Total:		

## Step 4: Determine Your Savings Goal Timeline

- When you will you begin saving?
  - Start Date: \_\_\_\_\_
- How long will it take to reach your savings Goal?
  - Completion Date: \_\_\_\_\_

**NOTE:** I always recommend starting your savings after you take care of all credit and debt pay off.

\$ \_\_\_\_\_

# My Savings Challenge


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**Milestone Date:** \$ \_\_\_\_\_ / /  
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## SECTION 04

# *Finding the Right Lender*

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**A TRUSTED LENDER PROVIDES EXPERT FINANCIAL GUIDANCE. THEY HELP YOU ASSESS YOUR FINANCIAL SITUATION, OFFERING INSIGHTS INTO YOUR CREDITWORTHINESS, DOWN PAYMENT REQUIREMENTS, AND THE TYPES OF LOANS AVAILABLE TO YOU.**

# HOW TO FIND THE BEST MORTGAGE LENDER



To find the best mortgage lender, you need to shop around. Consider different options like your bank, local credit union, online lenders, and more. Ask about rates, loan terms, down payment requirements, mortgage insurance, closing cost, and fees of all kinds, and compare these details on every offer.



# TYPES OF MORTGAGE LENDERS

- Direct lenders
- Mortgage brokers
- Correspondent lenders
- Wholesale lenders
- Portfolio lenders
- Hard money lenders



## DIRECT LENDERS

Direct lenders are banks, credit unions, online entities, and other organizations that provide mortgages directly to borrowers. They create and fund mortgages and either service them (meaning manage the repayment) or outsource the servicing to a third party. They also establish loan rates and terms; these can differ significantly depending on which lender you work with.

**Pro:** In-house process from application to closing; borrowers typically work with one loan officer

**Con:** Rates and terms vary widely between lenders

## MORTGAGE BROKERS

Mortgage brokers are independent, licensed professionals who serve as matchmakers between lenders and borrowers. Brokers usually charge a small percentage of the loan amount (generally 1 to 2 percent) for their services, which the lender pays for (but passes on to you as part of the cost of your mortgage). They don't fund loans set interest rates or fees, or make lending decisions.

**Pro:** Work with multiple lenders on the borrower's behalf

**Con:** Potential conflicts of interest



## PORTFOLIO LENDERS

Portfolio lenders originate and fund loans from their clients' bank deposits so they can hold on to the loans, not resell them after closing. Typically, portfolio lenders include community banks, credit unions, and savings and loans institutions.

**Pros:** Can help borrowers with unique circumstances qualify for a loan; the opportunity to work with a local institution

**Con:** Potentially limited loan amounts or less favorable terms

## HARD MONEY LENDERS

Hard money lenders are private investors (an individual or group) that provide short-term loans secured by real estate. While traditional lenders look closely at your financial ability to repay a mortgage, hard money lenders are more concerned with the property's value to protect their investment. Hard money lenders typically require repayment in a short time frame, usually one to five years. They also generally charge steeper loan origination fees, closing costs, and interest rates, as much as 10 percentage points higher than conventional lenders do.

**Pros:** Can be easier to qualify borrowers who don't fit the criteria for conventional loans; fast approvals and funds disbursement

**Cons:** Higher fees and rates; shorter-term loan means higher monthly payments



# YOUR DREAM MORTGAGE LOAN OFFICER AND REALTOR!

**Are you ready to jump start an incredible real estate journey?  
Meet your ideal partner and Trusted Mortgage Loan Officer and  
Realtor, all in one!**



## WHY CHOOSE STEPHANIE CRAFT AS YOUR LENDER AND REALTOR?

Real Estate License# 370359  
NMLS# 2530699



**✦ Expertise in Every Step:** With vast experience in both mortgage lending and real estate, Stephanie Craft offers a one-stop solution. You'll have a seasoned professional guiding you from pre-approval to closing, ensuring a seamless process.

**✦ Tailored Financing:** Stephanie understands that one size doesn't fit all. She'll explore mortgage options to match your unique financial situation, whether you're a first-time homebuyer or seasoned investor. [Get Pre-approved](#)

**✦ Credit Repair Assistance:** Worried about credit challenges? Stephanie Craft goes the extra mile to help you repair and enhance your creditworthiness, increasing your chances of loan approval. [Get Credit Repair Help](#)

**✦ Personalized Support:** Feel like you're in this alone? Not with Stephanie by your side. She offers personalized support and educational resources to empower you to make informed decisions.

**✦ Extensive Network:** Stephanie's extensive network of industry professionals, from inspectors to contractors, ensures you receive trusted referrals and top-notch service.

**✦ Transparent and Honest:** Stephanie Craft values transparency and honesty. You'll receive straightforward advice and a partner who genuinely cares about your financial success.

Knowing you're pre-approved by a trusted lender gives you confidence when house hunting. It signals to sellers that you're a serious buyer, potentially giving you an edge in competitive markets. I will listen to your needs and goals and recommend the best loan products for your situation. If needed I will assist you in creating a budget that considers not just your mortgage payment but also property taxes, insurance, and maintenance costs. I will help you see the big financial picture and the true cost of homeownership. The mortgage and home buying process can be complex I will educate and hold your hand through each step, from the initial application to closing, ensuring that we work as a team and never miss a beat. You can count on me to be there not just for one transaction but I'm available for your future financing needs and advice as your homeownership or real estate investment journey progresses.



# TAKE ACTION

*homework*

01

**CREATE A WRITTEN PLAN TO QUICKLY PAY OFF YOUR DEBT.**

02

**IF ANY BILLS ARE PAST DUE, PAY THEM IN FULL IMMEDIATELY.**

03

**BOOK A CALL WITH ME! LET'S DISCUSS WHAT LOAN PROGRAM WILL BE BEST FOR YOU**





If you think you can get your credit spruced up and ready to go in a matter of days, think again. Even without any dings on your report, you'll want to make sure all your credit cards are paid up prior to [qualifying for a loan](#), and that requires planning. Get ahead of the game by paying down your debt, then try and lock up your credit cards until your credit score has been checked and you have been approved for your mortgage.

I am here to help you every step of the way. If you wish to tackle your credit repair on your own, I am cheering you on and I am here if you have questions feel free to [book a call](#) with me.

If you want help with fixing your credit, let's do it!  
[Sign up](#) for the done-for-you credit repair option.

*Stephanie Craft*



Thank You!

**STEPHANIE CRAFT**

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