

# HOMEBUYER CREDIT BLUEPRINT GUIDE



Contact us for a free consultation, and let's discuss how we can help you build your credit and buy your first home.



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# Homebuyer Credit Blueprint Guide


## Your Step-by-Step Guide to improve your credit score

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Changing Lives Through Real Estate 

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### Welcome

Before applying for a mortgage and for many down payment assistance programs in Georgia, you will typically need a **minimum 640 middle credit score**.

If you're not there yet it's okay. Credit scores are **not permanent**

A lot of first-time buyers don't start at 640. The key is building a strategic plan. This guide will help you improve your credit in a focused, intentional way.

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### STEP 1: Know Your Starting Point

- Pull your free credit report from AnnualCreditReport.com
- Check your credit score (Credit Karma, Fico is a helpful educational tool)
- Review all open and closed accounts
- Highlight any late payments
- Identify collections, charge-offs, or errors

My Current Score: \_\_\_\_\_

My Target Score: (640+) \_\_\_\_\_

Notes:

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# CREDIT SCORE TRACKER WORKSHEET

## Credit Score Progress Tracker

Track your progress as you work toward 640+

Start Date: \_\_\_\_\_

Target Score: 640+

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## Monthly Credit Score Tracker

### Month    Credit Score Change (+/-)    Notes (What I Improved)

Month 1    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Month 2    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Month 3    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Month 4    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Month 5    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Month 6    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

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## Score Milestones

Reached 600    Date \_\_\_\_\_

Reached 620    Date \_\_\_\_\_

Reached 640    Date \_\_\_\_\_

Above 660    Date \_\_\_\_\_

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## What Helped Increase My Score?

Paid down credit card balances

Removed collection

Disputed inaccurate account

No late payments

Reduced utilization below 30%

Reduced utilization below 10%

Other: \_\_\_\_\_

**Reflection Section**

What worked best?

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What slowed my progress?

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What will I focus on next month?

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**Notes:**

## STEP 2: Payment History (35% of Your Score)

Your payment history has the biggest impact on your credit score.

- Make all payments on time (**NO exceptions**)
- Set up auto-pay for at least the minimum payment
- Bring any past-due accounts current
- Avoid 30-day late payments
- Contact creditors if you need hardship arrangements

### **Important:**

**One 30-day late payment can drop your score significantly and delay your home purchase plans.**

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## STEP 3: Credit Utilization (30% of Your Score)

This refers to how much of your available credit you're using.

### **Goal: Keep balances under 30% of the credit limit**

Best: Under 10% for fastest score improvement

Example:

If your credit limit is \$1,000

Keep your balance under \$300

Even better: Under \$100

- List all credit card limits
- Calculate your current balances
- Identify cards over 30% utilization
- Create a payoff plan

Target payoff date: \_\_\_\_\_

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## Notes



#### STEP 4: Remove or Resolve Small Collections

Some collections can be resolved strategically before applying for a mortgage.

- Identify collections under \$1,000
- Contact the creditor
- Ask about “Pay for Delete” options
- Get agreements in writing before paying
- Confirm removal after payment

**Always keep documentation.**



## CREDIT REPAIR LOG

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### Credit Repair & Dispute Log

Use this to track calls, disputes, and follow-ups.

Date	Creditor/Bureau	Account #	Action Taken	Follow-Up	Date	Status
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

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### Collection Payoff Tracker

Account Name	Balance	Settlement Amount	Date Paid	Removal Confirmed
_____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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**Notes:**

## Dispute Tracking Section

Dispute Submitted To:

- Experian
- Equifax
- TransUnion

Date Submitted: \_\_\_\_\_

Expected Response Date (30 Days): \_\_\_\_\_

Outcome:

- Updated
- Removed
- Verified as Accurate
- Still Pending

Notes:

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*This guide is for educational purposes only and is not legal or financial advice. Always consult with a licensed lender or financial professional regarding your specific credit and mortgage situation.*

## **STEP 5: DISPUTE INACCURATE INFORMATION**

Errors on credit reports are common and disputing them can increase your score.

You have the legal right to dispute inaccurate information.

- Review each account carefully
- Check for incorrect balances
- Check for duplicate accounts
- Check for accounts that are not yours
- Check for incorrect late payments

If you find errors:

1. Submit a dispute directly with the credit bureau (Experian, Equifax, or TransUnion).
2. Provide documentation supporting your claim.
3. Follow up within 30 days.

You may dispute:

- Incorrect late payments
- Paid accounts reporting as unpaid
- Duplicate accounts
- Accounts that do not belong to you

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### **Notes**

## Sample Dispute Letter Template

(You can copy and edit this)

Your Name

Your Address

City, State, Zip

Date

Credit Bureau Name

Address

Re: Credit Report Dispute

To Whom It May Concern,

I am writing to dispute the following item(s) on my credit report. The information listed below is inaccurate and should be corrected or removed.

Account Name:

Account Number:

Reason for Dispute:

I have enclosed copies of documentation supporting my dispute. Please investigate this matter and update my credit file accordingly.

Sincerely,

Your Name

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**STEP 6: Avoid These Credit Mistakes Before Buying**

- ⊘ Do not open new credit cards
  - ⊘ Do not finance a vehicle
  - ⊘ Do not co-sign for anyone
  - ⊘ Do not close old credit accounts
  - ⊘ Do not make large undocumented deposits
- 

**3–6 Month Preparation Plan**

Current Score: \_\_\_\_\_

3-Month Goal: \_\_\_\_\_

6-Month Goal: 640+

Monthly Focus:

Month 1: \_\_\_\_\_

Month 4: \_\_\_\_\_

Month 2: \_\_\_\_\_

Month 5: \_\_\_\_\_

Month 3: \_\_\_\_\_

Month 6: \_\_\_\_\_

## **Final Step: Build a Strategy**


Improving your credit isn't just about reaching 640.

It's about positioning yourself for:

- ✓ Down payment assistance
- ✓ Better interest rates
- ✓ Lower monthly payments
- ✓ Less stress during underwriting

**If you're planning to buy within the next 6–12 months, schedule a Homebuyer Strategy Session.**

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## Bonus Section

### CREDIT MYTHS VS. FACTS

What Future Homeowners Need to Know

**There is a lot of misinformation about credit. Let's clear it up.**

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#### MYTH #1

“I need perfect credit to buy a home.”

**FACT:**

You do NOT need perfect credit. Many loan programs allow scores in the 580–640+ range. For many Georgia down payment assistance programs, 640 is the benchmark not 800.

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#### MYTH #2

“Checking my own credit will hurt my score.”

**FACT:**

Checking your own credit is considered a *soft inquiry* and does NOT lower your score.

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#### MYTH #3

“I should pay off all my credit cards completely before applying.”

**FACT:**

Paying balances down is great but closing accounts can actually hurt your score by reducing your available credit. Strategy matters.

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#### MYTH #4

“If I pay off a collection, my score will automatically increase.”

**FACT:**

Not always. Some collections remain on your report even after being paid. That's why negotiating a “pay for delete” (when possible) is important.

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**MYTH #5**

“I can finance a car before buying a house, it won’t matter.”

**FACT:**

New debt increases your debt-to-income ratio and can reduce your buying power or delay your approval.

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**MYTH #6**

“All lenders offer the same programs.”

**FACT:**

Not all lenders offer every down payment assistance program. Working with the right team matters.

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**MYTH #7**

“If I had past credit mistakes, I can’t buy a home.”

**FACT:**

Past mistakes don’t disqualify you forever. With planning, consistency, and strategy, many buyers recover and qualify.

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## CREDIT REBUILDING & CREDIT RE-ACTIVATION

### What If I Stopped Using Credit?

Many future homeowners make this mistake:

They stop using credit completely.

They think:

“If I don’t use it, I won’t hurt it.”

But here’s the truth:

No activity = No positive reporting.

Credit scores are built on active, positive behavior not silence.

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### If You Have No Recent Credit Activity

If your accounts are:

- Closed
- Inactive
- Or reporting \$0 activity for months

You may need to strategically restart credit usage.

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### Safe Ways to Rebuild or Reactivate Credit

#### ✓ Option 1: Secured Credit Card

A secured card requires a deposit (usually \$200–\$500).  
That deposit becomes your credit limit.

How to use it correctly:

- Use it for one small recurring expense (like gas or streaming)
- Keep balance under 10–30%
- Pay it off every month before the due date

Consistency builds score.

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## ✓ Option 2: Authorized User Strategy

If you have a trusted family member with:

- Good payment history
- Low utilization
- Long-standing account

Being added as an authorized user may help strengthen your profile.

Important:

Only do this with someone financially responsible.

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## ✓ Option 3: Credit Builder Loans

Some banks and credit unions offer small “credit builder” loans.

These are structured to:

- Hold the funds in savings
  - Report monthly payments
  - Build positive history
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## What NOT To Do When Rebuilding

- ⊘ Open multiple new accounts at once
- ⊘ Apply for store cards impulsively
- ⊘ Finance unnecessary items
- ⊘ Close old accounts
- ⊘ Carry high balances

Rebuilding is about discipline — not volume.

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## The 3-Month Rebuild Plan

Month 1:

- Open one secured card (if needed)
- Set up automatic payments
- Keep utilization under 30%

Month 2:

- Maintain perfect payment history
- Monitor score

Month 3:

- Reduce utilization to under 10%
- Continue on-time payments

Most people see improvement within 60–90 days.

## LENDER READINESS CHECKLIST

### Are You Ready to Speak with a Lender?

Before applying for down payment assistance or a mortgage, make sure you are financially prepared.

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#### ✓ CREDIT READINESS

- My credit score is at or near 640
- No late payments in the last 12 months
- Credit card utilization under 30%
- No new credit accounts opened recently
- Collections addressed or documented

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#### ✓ INCOME & EMPLOYMENT

- Employed consistently for at least 2 years
- Same line of work (or explainable changes)
- Stable income
- Overtime/bonuses documented (if applicable)

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**✓ DOCUMENTS PREPARED**

- Last 2 years of W-2s or tax returns
  - Last 30 days of pay stubs
  - Last 2 months of bank statements
  - ID (Driver's License)
  - Social Security number ready
- 

**✓ SAVINGS**

- Funds for earnest money (typically 1% of purchase price)
  - Funds for appraisal and inspection
  - Emergency reserves
  - Understanding of closing costs
- 

**✓ MENTAL READINESS**

- I am committed to not making major purchases
  - I understand underwriting may request documents
  - I am responsive to emails and lender requests
  - I am ready to follow professional guidance
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**Self-Assessment**

On a scale of 1–10, how ready do I feel? \_\_\_\_\_

What do I need to improve before applying?

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**Homeownership is not just about getting approved.**

It's about being prepared.

If you're planning to buy within the next 6–12 months, schedule a Homebuyer Strategy Session so we can:

- ✓ Review your readiness
- ✓ Discuss down payment assistance
- ✓ Connect you with trusted lenders
- ✓ Create a personalized action plan

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