

## Questions About Mortgage Loans for Lenders with Bad Credit

If you are a first time homebuyer with bad credit, you probably have quite a few questions about how to obtain mortgage loans. Here are some of the most commonly asked questions about qualifying for mortgages with bad credit.

Will a poor credit rating completely disqualify me from getting a [home mortgage](#)?

You can get home mortgages even if you have a bad credit rating, but beware: Bad credit attracts bad lenders whose mortgage loans come with high fees and unethical, potentially credit destroying terms. Research your lender beforehand and be choosy about which lender you pick. You may need to put off taking out a mortgage for several months while you raise your credit score.

What are the signs of bad mortgage loans?

There are a substantial number of tipoffs that a loan is bad. The most common signs are:

\* Interest rates noticeably higher than the market average \* Fees that add up to more than 1% of the total cost of the mortgage \* Penalties for paying off the loan early \* Kickbacks to the agent (often referred to "yield spread premiums") \* Questionable marketing tactics, such as using a hard sell or advertising door to door \* Lenders who suggest "flipping" or refinancing your property frequently to offset the high interest rate

If any of these clues appear in the terms of a mortgage, reject the offer. If all of the mortgage loans you are offered contain one of these warning signs, then you are not currently qualified for good mortgage loans. But dont despair! You can make yourself desirable to good lenders again by raising your credit score.

How can I raise my credit rating?

Improving your credit score will take several months and some effort, but its worth it. Experts advise that if you want to raise your credit rating, you should take these actions:

\* Pay down your existing loans. Catch up on all your late payments and keep your payments up to date. \* Pay all your bills on time. \* Improve your ratio of debt to available credit by not only paying down your debt, but increasing your lines of credit if possible. \* If you are having difficulty because you have no credit history, get a credit card designed for people with nonexistent or poor credit. Watch out for unethical cards that will saddle you with weekly or monthly fees, extremely high interest rates, or other terms that will make your credit situation worse. \* Check all your credit reports and contest any inaccurate information on them.

Once you have done everything you can, wait. The factor that will do the most for your credit rating is time. As you create month after month of newly stable credit history, your credit rating will go up and lenders will look upon you more favorably. With time, you will receive good offers for mortgage loans again. References [Mortgage](#) ...

## About the Author

More references about home mortgage, visit [www.getsmart.com/refinance](http://www.getsmart.com/refinance).

Source: <http://DaNews4.com>