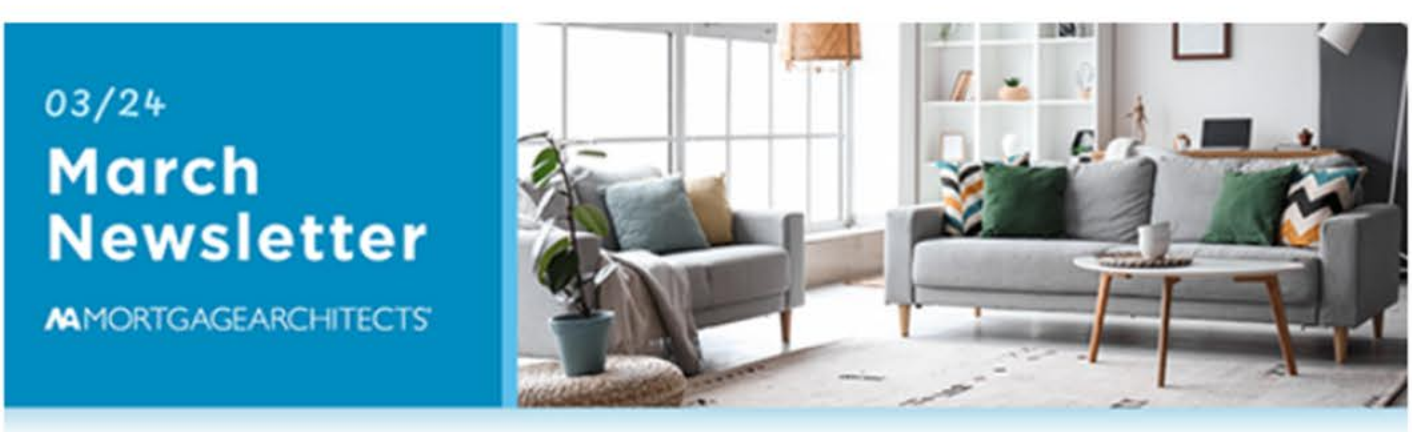

Hello March!

March is Fraud Awareness Month and we have all the tips you need to know! Plus, learn how to improve your credit score as we head into the Spring market!

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Fraud Awareness Month

Did you know? March is Fraud Awareness Month. Protecting yourself and your mortgage from fraud is crucial to safeguard your financial well-being. Understanding some of the more common mortgage fraud scams and how to protect yourself can make all the difference!

The most common type of mortgage fraud involves a criminal obtaining a property, and then increasing its value through a series of sales and resales involving the fraudster and someone working in cooperation with them. A mortgage is then secured for the property based on the inflated price.

Below are some red flags to be aware of as potential lead-ins to fraud:

- If someone offers you money to use your name and credit information to obtain a mortgage
- If you are encouraged to include false information on a mortgage application
- If you are asked to leave signature lines or other important areas of your mortgage application blank
- If the seller or investment advisor discourages you from seeing or inspecting the property you will be purchasing
- If the seller or developer rebates money on closing, and you don't disclose this to your lending institution

Another fraud scheme to be aware of is title fraud. Title fraud is essentially a form of identity theft and is typically discovered when your mortgage mysteriously goes into default and the lender begins foreclosure proceedings.

With title fraud an individual, who is using false identification to pose as you, will register forged documents transferring your property to his/her name. From there, they register a forged discharge of your existing mortgage and get a new mortgage against your property. Then the fraudster makes off with the new home loan money without making mortgage payments. The bank thinks you are the one defaulting – and your economic downfall begins.

But don't panic! There are lots of ways you can protect yourself from title fraud:

- Always view the property you are purchasing in person
- Check listings in the community where the property is located – compare features, size, and location to establish if the asking price seems reasonable
- Make sure your representative is a licensed real estate agent
- Beware of realtors or mortgage professionals with a financial interest in the transaction
- Ask for a copy of the land title or go to a registry office and request a historical title search
- In the offer to purchase, include the option to have the property appraised by a designated or accredited appraiser
- Insist on a home inspection to guard against buying a home that has been cosmetically renovated or formerly used as a grow house or meth lab
- Ask to see receipts for recent renovations
- When you make a deposit, ensure your money is protected by being held "in trust"
- Consider the purchase of title insurance. While title can be purchased after taking possession or years later, the best time to purchase a title insurance policy is NOW before an issue like fraud is discovered.

Remember, being proactive and vigilant is key to protecting yourself and your mortgage from fraud. If you suspect fraudulent activity, act promptly to mitigate potential damage and report it to the appropriate authorities.

Tips To Improve Your Credit Score

One of the important factors in home ownership is understanding things like your credit score. Some people don't pay much attention to this metric until they begin the mortgage discussion! However, you will find that your credit score is one of the most important factors when it comes to qualifying for a mortgage at the best rate – and with the most purchasing power.

Credit scores range from 300 to 900, the higher your credit score the better. Ideally, you should be aiming for a credit score of 680 for at least one borrower (or guarantor), especially if you are putting under 20% down. If you are able to make a larger down payment of 20% or more, then a score of 680 is not required.

This score is based on spending habits and behaviours including:

- Previous payment history and track record of paying your credit accounts on time is the number one thing that your credit score considers.
- Your current level of debt and whether you're maxed or not is the second most important factor.
- How long you have had your credit in good standing is the third most important factor.
- Attaining new credits is the fourth factor and can be a red flag if you're opening several credit cards, accounts, or loans in a short period.
- Your credit mix is the final aspect of your credit score to determine whether you have a healthy mix of credit cards, loans, lines of credit, etc.

If you want to improve your credit score, you can! It is a gradual process, but it is well worth it. Here are some tips to help you get started!

1. **Pay Your Bills:** This seems pretty straightforward, but it is not that simple. You not only have to pay the bills, but you have to do so in full AND on time whenever possible. Paying bills on time is one of the key behaviors lenders and creditors look for when deciding to grant you a loan or mortgage. If you are unable to afford the full amount, a good tip is to at least pay the minimum required as shown on your monthly statement to prevent any flags on your account.
2. **Pay Your Debts:** Whether you have credit card debt, a car loan, a line of credit, or a mortgage, the goal should be to pay your debt off as quickly as possible. To make the most impact, start by paying the lowest debt items first and then work towards the larger amounts. By removing the low-debt items, you also remove the interest payments on those loans which frees up money that can be put towards paying off larger items.
3. **Stay Within Your Limit:** This is key when it comes to managing debt and maintaining a good credit score. Using all or most of your available credit is not advised. Your goal should be to use 70% or less of your available credit. For instance, if you have a limit of $1000 on your credit card, you should never go over $700. *NOTE: If you find you need more credit, it is better to increase the limit versus utilizing more than 70% of what is available each month.*
4. **Credit and Loan Application Management:** Reduce the number of credit card or loan applications you submit. When you submit too many credit card applications, your credit score will go down, and multiple applications in a short period can do more damage. You're best to apply for one or two cards and wait to see if you are accepted before attempting further applications.

If you have questions about your credit score, don't hesitate to reach out to me today! Whether you want to check your score or find out how you can improve it, my door is always open.