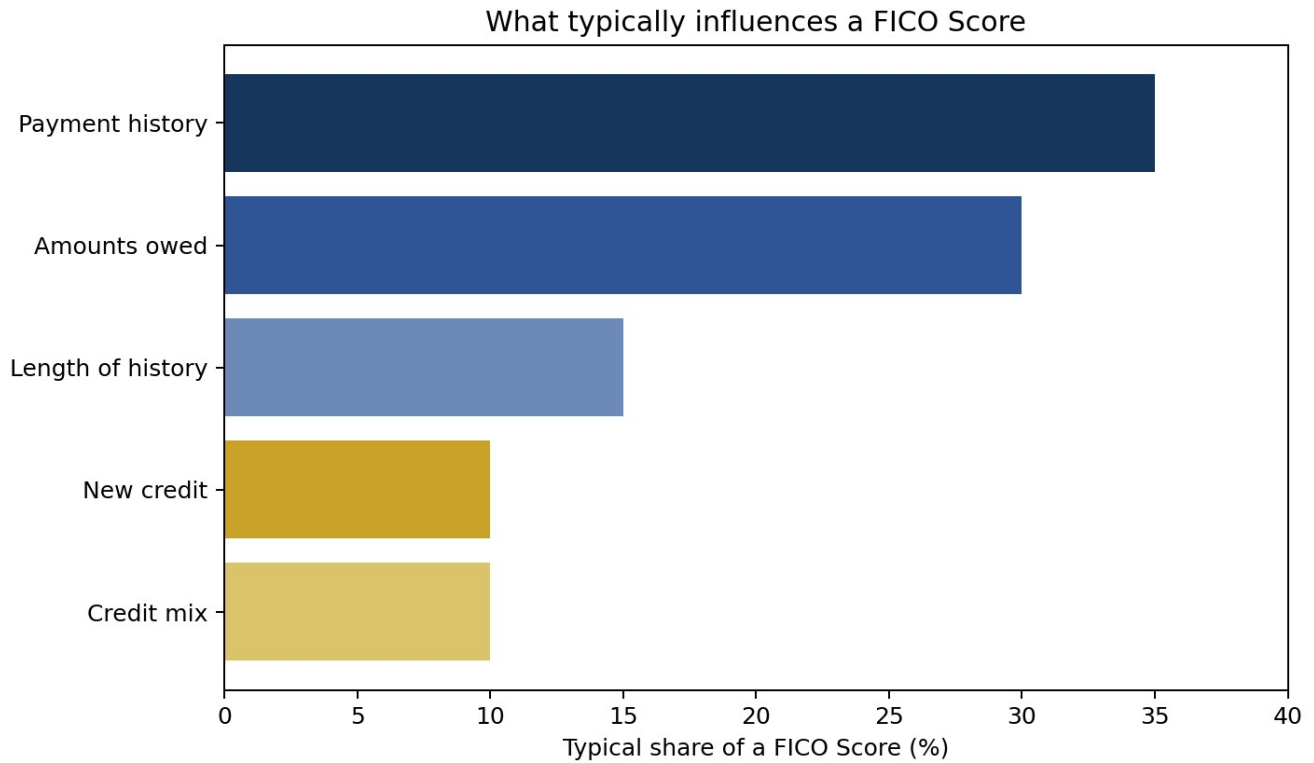




CREDIT HEALTH & HOME-BUYING GUIDE

Know what lenders may see. Build stronger habits. Correct real errors.



START HERE

Before applying for a mortgage, auto loan, credit card, or other financing, review all three credit reports. Look for errors, understand your balances and payment history, and avoid making major credit changes without first considering how they may affect your application.

[Get your official free credit reports: AnnualCreditReport.com](https://AnnualCreditReport.com) | [Learn about FICO Scores: myFICO.com](https://myFICO.com)

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How to Use This Guide

YOUR 4-PART CREDIT CHECKUP

1. Prepare before you buy or apply. 2. Manage debt and strengthen credit health. 3. Read your credit reports carefully. 4. Correct information that is inaccurate, incomplete, duplicated, or not yours.

1

Pull all three reports

Use AnnualCreditReport.com, the official federally authorized site, to access reports from Equifax, Experian, and TransUnion. Reports can differ, so review each one.

2

Mark what needs attention

Circle or highlight late payments, balances, collections, unfamiliar accounts, duplicate debts, wrong personal information, and incorrect account status.

3

Make a simple action list

Separate items into three groups: accurate information to manage, possible errors to verify, and identity-theft concerns that need immediate attention.

4

Protect the next application

Before applying for a home loan, avoid unnecessary new accounts, large new balances, missed payments, or closing old accounts without discussing the impact with your lending professional.

Quick Credit Health Questions

- ☐ Have I reviewed Equifax, Experian, and TransUnion?
- ☐ Are all accounts mine?
- ☐ Are balances and credit limits correct?
- ☐ Are late payments reported correctly?
- ☐ Are closed accounts actually shown as closed?
- ☐ Is the same debt listed more than once?
- ☐ Do I have any unfamiliar hard inquiries?
- ☐ Can I make every required payment on time this month?
- ☐ Am I carrying high credit-card balances compared with my limits?
- ☐ Am I planning to apply for new credit before a home purchase?

1) Before You Buy or Apply: What to Know

A credit report and a credit score are different

Your credit report is the detailed record. A credit score is a number calculated from information in a credit report. You can have more than one report and more than one score. Lenders may also consider income, employment, assets, debts, the type of loan, and other underwriting rules.

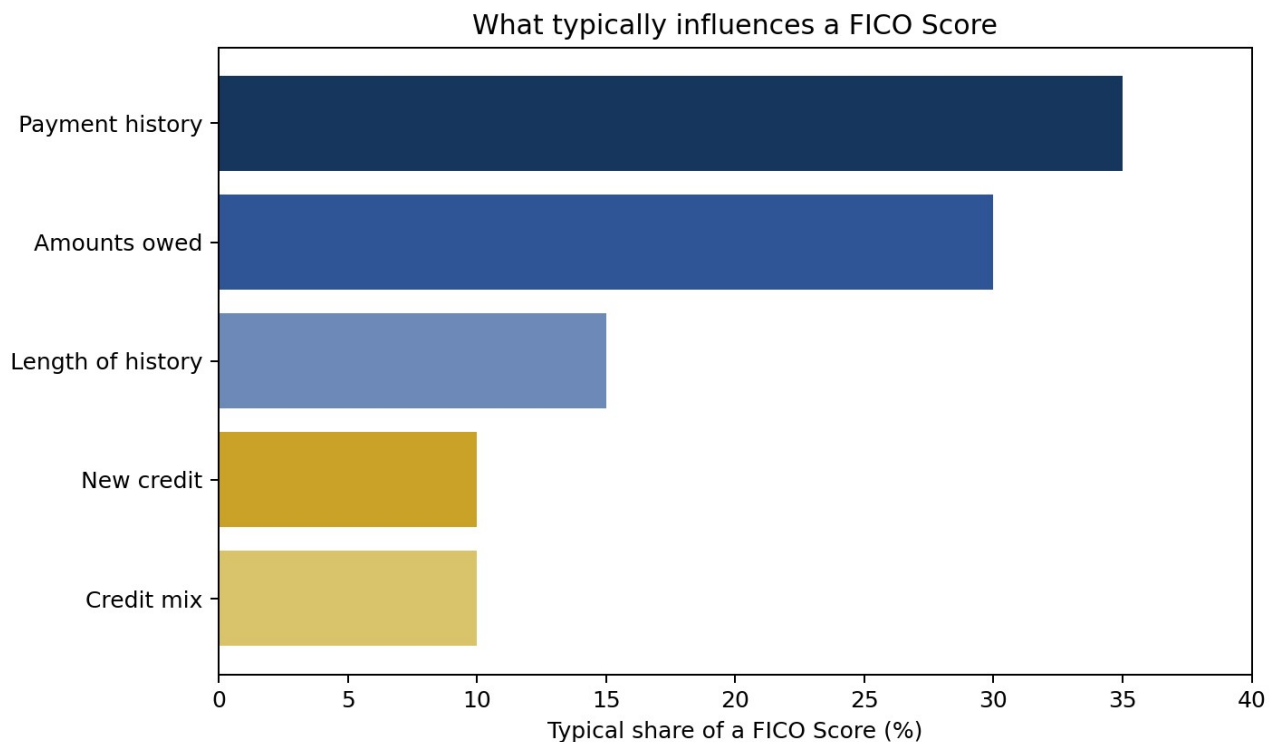
GOOD TO KNOW

Checking your own credit report or FICO Score does not hurt your FICO Score. A lender-initiated application for new credit may create a hard inquiry.

Before an important loan application

- Review all three credit reports early enough to correct genuine errors.
- Pay every bill by its due date. Payment history is the largest typical FICO Score category.
- Know each credit-card balance and limit. High revolving utilization can signal greater risk.
- Avoid opening several new accounts in a short period unless necessary.
- Do not assume closing an old card will improve your score; it can change available credit and utilization.
- Keep documentation for paid collections, settlements, identity-theft issues, and prior disputes.
- If you are already in a mortgage process, ask your loan professional before financing furniture, a vehicle, appliances, solar, or other major purchases.

The five FICO Score categories



Typical FICO weighting: Payment history 35%; amounts owed 30%; length of credit history 15%; new credit 10%; credit mix 10%. The importance can vary by individual credit profile.

2) Managing Debt and Improving Credit Health

Focus first on the habits you can control

1**Never miss a required payment**

Use reminders or automatic minimum payments when appropriate. If you are behind, work toward getting current and staying current.

2**Lower revolving balances**

Credit utilization compares revolving balances with available limits. Lower utilization can be more favorable than using a high percentage of available credit.

3**Pay debt down instead of moving it around**

Moving balances does not erase debt. Review interest rates, minimum payments, and total cost before choosing a payoff strategy.

4**Apply for credit only when needed**

Several new accounts in a short period can add inquiries and reduce average account age.

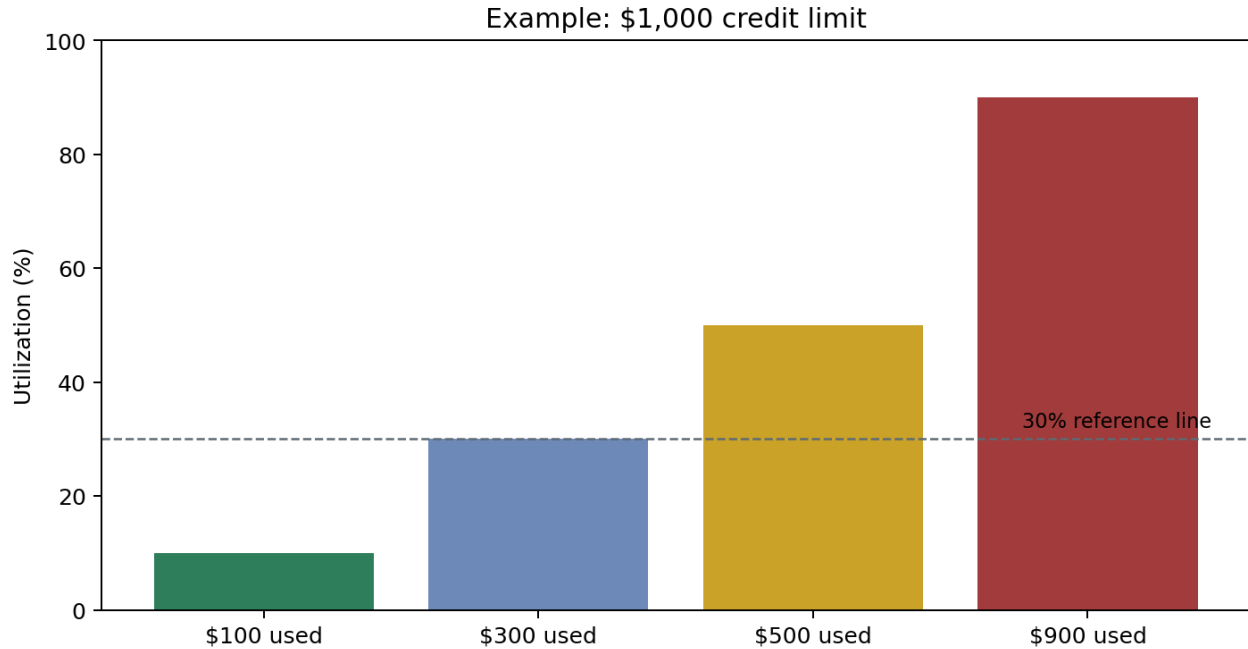
5**Keep older healthy accounts in mind**

Length of credit history matters. Before closing an old account, consider the effect on available credit, utilization, and account age.

6**Build a cash cushion**

A small emergency reserve can help prevent a surprise expense from becoming a missed payment or a high card balance.

Credit utilization: a simple example



Formula: $\text{reported revolving balance} \div \text{credit limit} \times 100 = \text{utilization \%}$. Example: a \$300 reported balance on a \$1,000 limit is 30%. FICO does not publish one universal “magic” utilization percentage that guarantees a score; lower revolving utilization is generally more favorable than high utilization.

Debt Action Worksheet

Account	Balance	Limit	Minimum	Rate/APR	Next action
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3) What Is Included in Your Credit Report - and Why It Matters

Section	What you may see	Why it matters
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Personal information	Names, addresses and identifying information.	Wrong information may indicate a mixed file or identity issue.
Credit accounts	Credit cards, mortgages, auto loans, installment loans and other accounts.	Shows account age, balances, limits, status and payment history.
Payment history	Whether payments were on time, late, or missed.	Payment history is a major scoring factor.
Balances and limits	What is owed and available revolving credit.	Used to evaluate debt levels and utilization.
Inquiries	Requests to access your report, including hard inquiries tied to applications.	Helps show recent credit-seeking activity.
Collections	Accounts sent or sold to collection agencies.	May affect lending decisions and credit scores.
Bankruptcy/public-record information	Bankruptcy-related public record information when applicable.	Serious negative information can remain for years under applicable reporting rules.

What to compare across all three reports

- Your name, current address, and identifying information.
- Every account: Is it yours? Is the status correct?
- Dates opened, last payment dates, and delinquency dates.
- Current balances, past-due amounts, and credit limits.
- Whether a closed account is incorrectly shown as open.
- Whether you are listed as an owner when you are only an authorized user.
- Duplicate debts or the same collection appearing incorrectly more than once.
- Hard inquiries you do not recognize.

WHY THREE REPORTS?

Equifax, Experian, and TransUnion may receive different information. An error on one report may not appear on the others. Review all three.

4) Errors, Corrections, Disputes and “Removing” Information

IMPORTANT DISTINCTION

Inaccurate, incomplete, duplicated, unverifiable, or identity-theft-related information may be disputed. Accurate, current negative information generally cannot be legally removed simply because it hurts your credit. Be cautious of anyone promising a guaranteed deletion of accurate negative information.

If you find a possible error

1

Confirm the problem

Compare the item with your statements, payment records, settlement letters, account agreements, or identity-theft records.

2

Dispute with the credit reporting company

Explain exactly what is wrong, why it is wrong, and what correction you are requesting. Include copies of supporting documents.

3

Dispute with the company that furnished the information

Send the same clear explanation and supporting evidence to the lender, creditor, collector, or other furnisher that reported the information.

4

Keep a complete paper trail

Save screenshots, letters, attachments, confirmation numbers, certified-mail receipts, and investigation results.

5

Review the result

Credit reporting companies generally investigate within 30 days; some situations can allow up to 45 days. Review the updated report carefully.

6

Escalate when appropriate

If a dispute remains unresolved, you may ask to add a statement of dispute to your file and may submit a complaint to the CFPB. Legal advice may be appropriate for serious unresolved issues.

What a strong dispute package contains

- Your full name, address, and contact information.
- The report confirmation number, if available.
- The exact account and item being disputed.
- A short, factual explanation of what is wrong.
- The correction or deletion you are requesting.
- A copy of the relevant report page with the item highlighted.
- Copies - never originals - of supporting documents.

Identity theft is different

If an account or debt resulted from identity theft, use the federal identity-theft recovery process and follow the credit bureaus' identity-theft procedures. Do not file a false identity-theft report to try to remove a debt you actually owe; federal regulators warn that this can be illegal.

If the negative item is accurate

- Do not pay someone based on a promise that accurate, current negative information will disappear.
- Keep current accounts paid on time.
- Reduce revolving debt when possible.
- Avoid unnecessary new debt.
- Let time and a stronger recent payment pattern work in your favor.
- Consider a reputable nonprofit credit counselor if you need help building a realistic debt-management plan.

ACP Credit Readiness Check

Use this page before you apply for financing. It is a planning worksheet, not a credit-score prediction.

Reports	I reviewed all three reports within the last ____ days.
Errors	I identified ____ items that may need verification or correction.
Payment status	All required payments are current: ☐ Yes ☐ No
Revolving debt	Total reported card balances: \$_____ Total limits: \$_____
Utilization	Estimated overall utilization: _____%
New credit	New accounts/inquiries in the last 6 months: _____
Cash reserve	Emergency savings available: \$_____
Home purchase	Target purchase price: \$_____ Target down payment: \$_____
Questions	My three biggest credit questions are: 1) _____ 2) _____ 3) _____

Simple Next-Step Decision Tree

IF YOU SEE AN ACCOUNT YOU DO NOT RECOGNIZE

First verify the creditor name; some retail cards and sold debts appear under unfamiliar company names. If it is not yours or appears to be identity theft, dispute it and use [IdentityTheft.gov](https://www.identitytheft.gov).

IF THE INFORMATION IS WRONG

Gather proof → dispute with the bureau → dispute with the furnisher → keep records → review the result.

IF THE INFORMATION IS ACCURATE BUT NEGATIVE

Build forward: pay on time, reduce balances, avoid unnecessary new debt, and allow accurate negative information to age under applicable reporting rules.

Trusted Links & How-To Resources

[AnnualCreditReport.com](https://annualcreditreport.com) - Official free credit reports

Request reports from Equifax, Experian, and TransUnion. The site states that free weekly online reports are available.

[myFICO Credit Education](https://myfico.com/credit-education)

Learn how FICO Scores work and what typically affects them.

[CFPB - Dispute a credit report error](https://cfpb.gov/step-by-step-dispute)

Step-by-step dispute instructions and what to include.

[CFPB - Common credit report errors](https://cfpb.gov/common-credit-report-errors)

Checklist of identity, account-status, balance, and data errors.

[FTC - Credit repair guidance](https://ftc.gov/credit-repair-guidance)

Consumer protection information and credit-repair scam warnings.

[IdentityTheft.gov](https://www.identitytheft.gov)

Federal recovery resource for identity theft.

Source Notes

This guide was prepared using consumer education from myFICO, AnnualCreditReport.com, the Consumer Financial Protection Bureau (CFPB), and the Federal Trade Commission (FTC). Key facts used include the five typical FICO Score categories; the availability of free weekly credit reports through AnnualCreditReport.com; common credit-report contents and errors; and federal dispute guidance. Information reviewed September 13, 2026.

Educational Notice

Arthur Cervantes Properties, Inc. provides this resource for general education. It is not legal advice, tax advice, a promise to improve a credit score, a credit-repair service, or a guarantee of loan approval or loan terms. Credit scoring models and lender requirements vary. For a mortgage decision, consult the appropriate licensed lending professional; for legal rights or a serious reporting dispute, consider qualified legal counsel or a government consumer-protection resource.

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