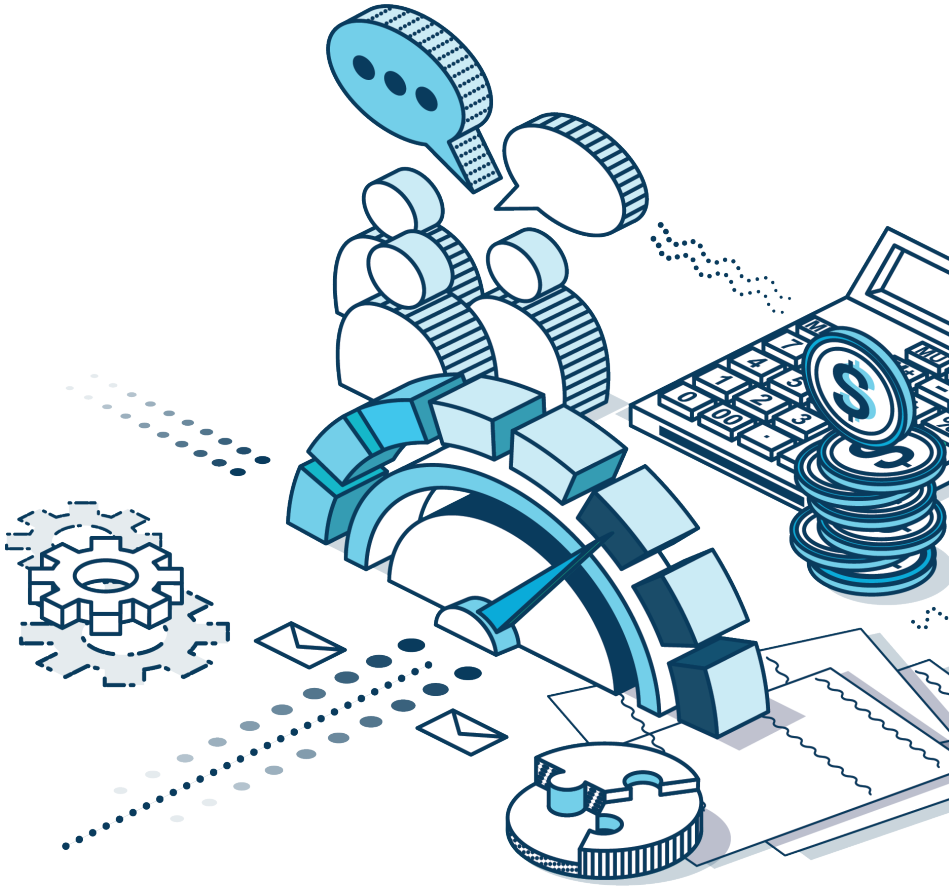
KNOW YOUR RATIO



Your credit utilization ratio makes a big impact on your credit score. This percentage shows how much available credit you're using compared to your credit limits. Charging too much or being close to maxing out accounts can result in a higher ratio, damaging your credit score. Generally, a lower ratio means a higher credit score – and better loan terms.

EXAMPLE

On a $350,000 home purchase with a minimum required down payment:
A borrower can save $74/month in interest and $191/month in mortgage insurance with a 720 credit score versus a 679 credit score.

That's an overall savings of $265/month

HOW TO CALCULATE YOUR RATIO

Divide your credit card balance by your credit limit, then multiply by 100.
- EXAMPLE: $3,000 balance ÷ $15,000 limit = .20 x 100 = 20%
- Do this for each credit card you have

CREDIT TIP: Industry insiders recommend keeping your ratio at 30% or lower on any credit card.

RYAN NILES
Certified Mortgage Advisor
NMLS 357455
D 206.949.4326
RNiles@houseloan.com
www.NilesTeam.com

DAVID KIRSKE
Mortgage Advisor
NMLS 1700629
D 206.403.0894
DKirske@houseloan.com

Cornerstone® HOME LENDING
the NILESteam

EQUAL HOUSING LENDER
1200 Westlake Avenue N., Suite 801 | Seattle, WA 98109

Sources: www.nerdwallet.com/blog/finance/how-is-credit-utilization-ratio-calculated/. www.myfico.com/crediteducation/amounts-owed.aspx.
Sources deemed reliable but not guaranteed. Not a commitment to lend. Borrower must meet qualification criteria. For educational purposes only. Please contact a qualified professional for specific guidance.