THE COMPLETE

CREDIT SCORE IMPROVEMENT GUIDE

A Practical, Step-by-Step Plan to a Mortgage-Ready Credit Score

Presented by Wayne Wallace

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27 Years of North Texas Mortgage Experience

This publication is intended for educational purposes only and should not be construed as legal, tax, or financial advice. Mortgage qualification guidelines, loan programs, and underwriting requirements may change over time. Every borrower's situation is unique.

Readers should consult qualified professionals before making financial or real estate decisions.

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Welcome!

Your credit score can feel like a mystery — a number that shows up on paperwork and quietly decides your rate, your options, and sometimes whether you qualify at all.

It doesn’t have to stay a mystery.

During my 27 years in mortgage lending, I’ve walked buyers through every kind of credit situation — building from nothing, recovering from a bankruptcy, and fine-tuning an already-strong score to squeeze out a better rate.

The pattern I’ve seen over and over: the buyers who understand what’s actually driving their score make faster, more confident progress than the ones guessing at generic advice.

That’s why I put this guide together — to walk you through exactly what moves your score, in the order that matters, with a realistic plan you can actually follow.

My goal isn’t just a higher number. It’s helping you become mortgage-ready with a plan you understand and trust.

Enjoy the guide, and remember—no question about your credit is too small.

About Wayne

Wayne Wallace has been helping Texas families finance homes since 1999.

As Senior Vice President of Mortgage Solutions with Homewood Mortgage, LLC, Wayne specializes in Conventional, FHA, VA, USDA, Jumbo, Construction, HELOC, Reverse Mortgage, DSCR & Investor, Bank Statement, Non-QM, and Down Payment Assistance financing.

Because Homewood Mortgage is a mortgage broker, Wayne has access to multiple wholesale lenders, giving borrowers a broader range of financing options than they might find at a single bank.

Wayne believes communication, education, and proactive problem-solving are the foundation of every successful transaction.

How to Use This Guide

You don't need to read this guide cover to cover.

If you're just getting started… — Read Chapters 1–3

If you're rebuilding after a setback… — Jump to Chapters 4–5

If you're close to applying… — Read Chapters 6–9

Use the checklists. Pull your actual credit reports as you go. Write down questions for your lender.

The more you understand what's driving your score, the faster you can move it.

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CHAPTER 01

Why Your Credit Score Matters More Than You Think

The one number that quietly shapes your mortgage options

— Wayne Wallace

The Number That Quietly Runs Your Financial Life

Most people only think about their credit score twice: when something goes wrong, and when they're about to apply for a mortgage. By then, it's often too late to fix much.

Your credit score affects far more than whether you get approved. It affects:

- Your interest rate
- Whether you pay for mortgage insurance, and how much
- How much home you can actually afford
- Your homeowners insurance premium in many states
- How quickly your loan moves through underwriting

A 60-point difference in credit score can mean a difference of tens of thousands of dollars over the life of a 30-year mortgage. This isn't an exaggeration — it's simple math on interest rates.

WAYNE'S TIP

I've had clients delay buying for a year because they assumed their credit was "too bad." In many cases, they were closer than they thought. The only way to know is to actually look.

Why This Guide Exists

This guide isn't about becoming a credit expert. It's about understanding the handful of things that actually move your score, in the order that matters most, so you can make a plan instead of guessing.

Whether you're starting from a thin credit file, recovering from a rough patch, or just want to squeeze a better rate out of an already-decent score, the same principles apply.

TEXAS SPOTLIGHT

CREDIT AND TEXAS MORTGAGE PROGRAMS

Several Texas-specific down payment assistance programs (through TSAHC and TDHCA) have minimum credit score requirements, often in the 620–640 range. Understanding exactly where your score sits — and what's holding it there — can open the door to programs you didn't know you qualified for.

CHAPTER SUMMARY

Your credit score isn't just a gatekeeper — it's a lever you can actually move. The rest of this guide breaks down exactly how.

WAYNE'S FINAL THOUGHT

> *"I've never met a credit score I couldn't explain. Once you understand what's driving yours, it stops feeling like a mystery and starts feeling like a plan."*

SCAN TO CONTINUE ONLINE

Pull Your Free Credit Reports

The only official source for all three bureau reports.

annualcreditreport.com

CHAPTER 02

How Credit Scores Really Work

The five factors, in the order that actually matters

— Wayne Wallace

The Five Factors, Ranked by Impact

Your FICO score is built from five categories. They are not weighted equally — and knowing the order changes how you should prioritize your time.

- Payment History — about 35% of your score
- Amounts Owed (credit utilization) — about 30%
- Length of Credit History — about 15%
- Credit Mix — about 10%
- New Credit — about 10%

Notice that the top two categories — payment history and utilization — make up nearly two-thirds of your score. That's where almost all of your effort should go first.

WAYNE'S TIP

If you only have time to fix one thing before applying for a mortgage, pay down credit card balances. It's the fastest-moving lever on your entire score.

What Counts as a "Good" Score for a Mortgage?

Different loan programs have different minimums, and the difference between tiers can meaningfully change your rate and monthly payment.

- 740+ — Excellent tier, best available conventional pricing
- 680–739 — Good, competitive rates on most programs
- 620–679 — Qualifying range for many Conventional and FHA loans, higher rate tiers
- 580–619 — FHA may still be possible with a larger down payment
- Below 580 — Options narrow significantly; this is where a rebuilding plan matters most

These ranges shift slightly by lender and loan program, and VA loans in particular are often more flexible than the ranges above suggest.

MORTGAGE MYTH vs. REALITY

MYTH

"Checking my own credit score will hurt it."

REALITY

> Checking your own credit report or score is a soft inquiry and never affects your score, no matter how often you do it. Only hard inquiries — initiated when you apply for new credit — have any impact, and even those are minor.

Where Your Score Actually Comes From

You don't have one credit score — you have several. Each of the three bureaus (Equifax, Experian, TransUnion) maintains its own file, and each can differ based on which creditors report to which bureau. Mortgage lenders typically pull all three and use the middle score, not the average and not the highest.

CHAPTER SUMMARY

Payment history and utilization drive most of your score. Know your tier, know which bureau's score the lender will actually use, and focus your energy on the two factors that move the needle fastest.

WAYNE'S FINAL THOUGHT

> *"Buyers are often surprised to learn the lender uses their middle score, not their best one. It's a small detail that changes how you should think about your credit strategy."*

CHAPTER 03

Credit Myths That Cost Buyers Money

Separating what actually works from what just sounds smart

— Wayne Wallace

Myths That Cost Buyers Real Money

Bad credit advice spreads fast, usually from well-meaning friends and family. Here are the ones I hear most often — and what's actually true.

MORTGAGE MYTH vs. REALITY

MYTH

"Carrying a balance on my credit card helps my score."

REALITY

Carrying a balance does nothing for your score and costs you interest. What helps is a track record of on-time payments and low utilization — paying your statement balance in full each month accomplishes both.

MORTGAGE MYTH vs. REALITY

MYTH

"Closing old credit cards improves my score."

REALITY

Closing a card can actually hurt your score in two ways: it shortens your average credit history and it reduces your total available credit, which raises your utilization ratio on the cards that remain.

MORTGAGE MYTH vs. REALITY

MYTH

"A credit repair company can remove accurate negative information."

REALITY

No one — not a credit repair company, not a lender — can legally remove accurate, verifiable negative information. What legitimate credit repair does is dispute inaccurate, outdated, or unverifiable items, which is something you're also entitled to do yourself for free.

REAL STORY

THE COSIGNED CARD SURPRISE

> A buyer was confused why her score dropped 40 points despite paying everything on time. It turned out an ex-partner had maxed out a credit card she had co-signed years earlier. Because it was still open in her name, his balance was counting against her utilization.
>
> Lesson: Review every account on your credit report, not just the ones you actively use — old joint or cosigned accounts can quietly work against you.

The Myth of the "Magic Number"

There's no single score that guarantees approval, and no single score that guarantees denial. Underwriting looks at your whole financial picture — income, assets, debt-to-income ratio, and the property itself — alongside your credit. Two buyers with the same score can get very different outcomes.

CHAPTER SUMMARY

Most credit myths share a common thread: they sound like clever shortcuts but actually work against you. Paying in full, keeping old accounts open, and reviewing your full report regularly beats every trick.

WAYNE'S FINAL THOUGHT

> *"Every myth in this chapter came from a real conversation with a real client. If you've heard any of these as advice, you're not alone — and now you know better."*

CHAPTER 04

Building Credit From Scratch

What to do when you have little or no credit history

— Wayne Wallace

Starting With Little or No Credit History

A “thin file” — not enough credit history for scoring models to confidently evaluate — is common among young buyers, recent immigrants, and anyone who's paid cash for everything. The good news: building credit from nothing is one of the most predictable processes in personal finance.

The Fastest Paths to a First Score

- Become an authorized user on a family member's well-managed credit card
- Open a secured credit card, which requires a cash deposit as collateral
- Use a credit-builder loan offered by many credit unions
- Ask your lender about alternative credit — on-time rent, utility, and phone payments can sometimes substitute for a traditional credit history on certain loan programs

> **WAYNE’S TIP**
>
> If you go the authorized-user route, confirm the card issuer actually reports authorized users to the bureaus — not all of them do. It's a five-minute phone call that can save you months of waiting.

How Long Does It Take?

Most people can generate a usable FICO score within 6 months of opening their first account, though scores continue to strengthen for years as the credit history lengthens.

> **TEXAS SPOTLIGHT**
>
> **NON-TRADITIONAL CREDIT FOR MORTGAGES**
>
> Some loan programs, including certain USDA and manual-underwrite FHA files, allow non-traditional credit histories — built from rent, utilities, and insurance payments — for borrowers with no traditional score. This is worth asking about directly if you're early in your credit journey but ready to buy.

CHAPTER SUMMARY

Building credit from scratch isn't slow because it's hard — it's slow because it takes time for a track record to accumulate. Starting today, even with one small account, puts that clock in motion.

WAYNE'S FINAL THOUGHT

> *“I've helped buyers with zero credit history become homeowners. It takes a plan and a little patience — not a perfect starting point.”*

CHAPTER 05

Rebuilding After a Setback

Late payments, collections, and bankruptcy — what really happens next

— Wayne Wallace

Recovering From Late Payments, Collections, or Bankruptcy

A rough patch in your credit history doesn't disqualify you from homeownership — it just changes your timeline and your plan. Here's how each situation typically plays out.

Late Payments

A single 30-day late payment has a real but temporary impact, and its effect fades significantly after about 12 months of on-time payments afterward. Multiple lates, or lates within the last 12 months, weigh more heavily with underwriters.

Collections and Charge-Offs

Paid collections generally look better to underwriters than unpaid ones, though the specific requirement varies by loan program — some require collections to be paid before closing, others do not. Your lender can tell you exactly what your specific program requires.

Bankruptcy and Foreclosure

These carry mandatory waiting periods before you can qualify for a new mortgage, but the periods are shorter than most people assume — especially for FHA and VA loans, and especially when the bankruptcy or foreclosure was tied to documented extenuating circumstances.

WAYNE'S TIP

Waiting periods are typically measured from the discharge or discharge-plus-sale date, not the filing date. Many buyers wait longer than they actually need to simply because no one walked them through the timeline.

REAL STORY

THE BUYER WHO THOUGHT HE HAD YEARS TO WAIT

A buyer assumed his Chapter 7 bankruptcy meant a 7-year wait before he could qualify for anything. In reality, with a strong 2 years of rebuilt credit and a documented job loss as the cause, he qualified for an FHA loan in a fraction of that time.

Lesson: Waiting periods are shorter — and more nuanced — than the general internet advice suggests. Always ask a lender directly rather than assuming the worst case.

CHAPTER SUMMARY

Recovery has a real, mapped-out timeline for every credit setback — it's rarely as long as people fear, and a documented plan moves it forward faster than waiting passively.

WAYNE'S FINAL THOUGHT

> *“A past financial setback is a chapter, not the whole story. I've watched buyers go from bankruptcy to closing day in less time than they expected — with the right plan.”*

CHAPTER 06

Credit Utilization: The Fastest Lever You Control

Why this one number moves faster than everything else

— Wayne Wallace

The Fastest Lever You Control

Credit utilization — how much of your available credit you're using — is the single fastest-moving factor in your score. Unlike payment history, which takes years to build, utilization can improve within a single billing cycle.

The Numbers That Matter

- Below 30% utilization — generally considered acceptable
- Below 10% utilization — where the strongest scores tend to sit
- Per-card AND overall — both your total utilization and each individual card's utilization matter

A single maxed-out card can drag your score down even if your overall utilization across all cards looks fine — scoring models look at both levels.

WAYNE'S TIP

Credit card issuers typically report your balance on your statement closing date, not when you pay it. Paying your balance down before the statement closes — not just before the due date — is what actually shows up on your credit report.

A 60-Day Utilization Sprint

If you're a few weeks out from applying for a mortgage, this is where to focus:

- [ ] Pull your utilization on every card individually, not just the total
- [ ] Pay down any single card over 50% utilization first
- [ ] Ask about a credit limit increase on cards you keep open (a soft-pull request, if possible)
- [ ] Avoid opening new cards during this window — new accounts temporarily lower your average account age
- [ ] Pay down balances at least one statement cycle before your lender pulls credit

TEXAS SPOTLIGHT

TIMING AROUND YOUR RATE LOCK

If you're actively under contract, ask your lender before making any big utilization moves. Large purchases or balance transfers during underwriting can trigger a credit re-pull that catches lenders off guard — timing matters as much as the moves themselves.

CHAPTER SUMMARY

Utilization moves faster than any other factor in your score. A focused 60-day plan around paying down balances — timed to your statement dates — is often the single highest-leverage thing you can do before applying.

WAYNE'S FINAL THOUGHT

> *"I've seen scores jump 30-plus points in under two months from utilization changes alone. It's the fastest real lever in this entire guide."*

SCAN TO CONTINUE ONLINE

See What a Better Rate Could Save You

Model different scenarios with the payment calculator.

wayne-wallace.com/mortgage-payment-calculator

CHAPTER 07

Rapid Rescore: The Mortgage Industry's Fast Lane

A tool most buyers have never heard of — until it saves them money

— Wayne Wallace

What a Rapid Rescore Actually Is

A rapid rescore is a tool available only through your mortgage lender — not something you can request directly from the bureaus, and not something a credit repair company can perform. It updates your credit report with verified changes in days instead of the usual 30–45 day reporting cycle.

It is not magic, and it doesn't erase real negative history. What it does is get accurate, already-true improvements reflected on your report fast enough to matter during a live mortgage transaction.

When It's Useful

- You just paid off or paid down a credit card and need the new balance reflected before your rate lock
- An error was corrected with a creditor and you need proof of the fix on your report quickly
- You're a handful of points away from the next pricing tier or program minimum

WAYNE’S TIP

A rapid rescore usually costs a modest per-item fee through the bureaus, paid at the lender level. If it's the difference between loan programs or rate tiers, it is almost always worth it — ask your lender to run the numbers before you decide.

MORTGAGE MYTH vs. REALITY

MYTH

“A rapid rescore can remove accurate late payments or collections.”

REALITY

It cannot. A rapid rescore only updates information that has genuinely changed — like a paid-down balance — with documentation to prove it. It's a speed tool, not a dispute tool.

How the Process Works

- ☐ You pay down a balance or resolve an error with a creditor
- ☐ You get documentation — a statement, a letter, a receipt
- ☐ Your lender submits that documentation to the bureaus through the rapid rescore process
- ☐ Your report updates within roughly 3–5 business days instead of 30–45

CHAPTER SUMMARY

A rapid rescore is one of the most underused tools in a homebuyer's toolkit — mostly because most buyers have never heard of it. If you're close to a threshold, ask your lender.

WAYNE'S FINAL THOUGHT

> *"I've used rapid rescores to move buyers into a better rate tier days before closing. It's a tool most people never even know exists — which is exactly why I bring it up early."*

SCAN TO CONTINUE ONLINE

Ask About a Rapid Rescore

Find out if you're close enough to a threshold for it to matter.

wayne-wallace.com/schedule

CHAPTER 08

DIY Credit Repair vs. Professional Help

What you can do yourself, and when to bring in help

— Wayne Wallace

DIY Credit Repair vs. Hiring Help

Every dispute a credit repair company can file, you can legally file yourself, for free, directly with the credit bureaus under the Fair Credit Reporting Act. The question isn't really “can I do this myself” — it's whether you have the time, patience, and organization to do it well.

When DIY Makes Sense

- You have one or two specific, identifiable errors to dispute
- You're comfortable writing formal dispute letters and tracking bureau responses
- Your timeline isn't urgent

When Professional Help Makes Sense

- You have multiple, complex negative items across several accounts
- You don't have time to manage a multi-month dispute process
- You want a structured plan and someone tracking deadlines on your behalf

MORTGAGE MYTH vs. REALITY

MYTH

“Any credit repair company can guarantee a specific score increase.”

REALITY

No legitimate company can guarantee a specific outcome, because results depend on what's actually inaccurate on your report — which varies person to person. Be cautious of any company that promises an exact number.

WAYNE’S TIP

Whichever path you choose, keep your mortgage lender in the loop. Disputing an item that's currently being used to qualify you for a loan can sometimes freeze your file mid-transaction — timing matters, especially once you're under contract.

Red Flags When Choosing a Credit Repair Company

- Asks for full payment before any work is done
- Guarantees a specific score or promises to remove accurate information
- Tells you to dispute information you know is accurate
- Isn't upfront about your rights under the Credit Repair Organizations Act

CHAPTER SUMMARY

There's no wrong answer between DIY and professional credit repair — only the wrong company, or the wrong timing relative to an active mortgage application.

WAYNE'S FINAL THOUGHT

> *“I don't have a stake in whether you use a credit repair company or do it yourself. I just want you to loop me in before you start, so we don't accidentally work against each other's timeline.”*

SCAN TO CONTINUE ONLINE

Explore Credit Repair Resources

More on disputes, rebuilding, and working with a lender.

wayne-wallace.com/credit-repair

CHAPTER 09

Your 90-Day Credit Improvement Plan

A step-by-step timeline you can actually follow

— Wayne Wallace

A Realistic 90-Day Plan

Most meaningful credit improvement happens within a 90-day window — not because bigger changes aren't possible, but because 90 days is enough time to see real movement without waiting years.

Days 1–14: Get the Full Picture

- ☐ Pull your credit reports from all three bureaus at AnnualCreditReport.com
- ☐ Review every account for errors, unfamiliar activity, or old cosigned accounts
- ☐ List every card's individual utilization percentage
- ☐ Flag any items you believe are inaccurate for dispute

Days 15–45: Take Action

- ☐ File disputes on inaccurate items
- ☐ Pay down the highest-utilization cards first
- ☐ Set every account to autopay for at least the minimum, to eliminate late-payment risk
- ☐ Avoid opening any new credit accounts during this window

Days 46–90: Let It Report and Reassess

- ☐ Recheck your utilization after at least one full statement cycle
- ☐ Follow up on any open disputes past the 30-day investigation window
- ☐ Talk to your lender about whether a rapid rescore makes sense before applying
- ☐ Re-pull your score and compare it against your Day 1 baseline

> ☑ **REAL STORY**
>
> **THE 90-DAY TURNAROUND**
>
> A buyer started at a 601 mid-score with two maxed-out cards and one incorrect collection account. Ninety days later — after paying both cards under 10% utilization and successfully disputing the collection — she qualified for a Conventional loan with mortgage insurance she wouldn't have had access to at her starting score.
>
> Lesson: A structured plan, not a longer wait, is usually what actually moves a score.

CHAPTER SUMMARY

Ninety days, worked through deliberately, is enough time to meaningfully change your mortgage options. The plan matters more than the calendar.

WAYNE'S FINAL THOUGHT

> *"I'd rather spend 90 days helping you build a real plan than have you wait a year hoping things get better on their own."*

SCAN TO CONTINUE ONLINE

Start Your Pre-Approval

See exactly where you stand — no obligation.

wayne-wallace.com/apply

CHAPTER 10

Getting Mortgage-Ready

What underwriters look for, plus your final checklist and glossary

— Wayne Wallace

What Underwriters Actually Look At

Your credit score is one input among several. Underwriters also weigh your debt-to-income ratio, employment stability, assets, and the property itself. A borrower with a mid-600s score and strong income and assets can sometimes be a stronger file than a borrower with a 750 score and a shaky employment history.

Getting Mortgage-Ready: The Final Checklist

- ☐ I know my mid-score from all three bureaus, not just one
- ☐ I've reviewed my full credit report for errors
- ☐ My utilization is below 30% on every individual card
- ☐ I haven't opened new credit in the last 6 months
- ☐ I've talked to a lender about which loan programs fit my current score
- ☐ I understand which factors are actually moving my score, in priority order

WAYNE'S TIP

The best time to talk to a lender isn't when you're ready to apply — it's when you're starting to build your plan. A quick conversation now can save months of guessing later.

Mortgage Credit Glossary

FICO Score

The most widely used credit scoring model in mortgage lending, ranging from 300 to 850.

Credit Utilization

The percentage of your available credit currently in use, calculated both per card and across all accounts combined.

Hard Inquiry

A credit check triggered by applying for new credit, which can cause a small, temporary dip in your score.

Soft Inquiry

A credit check that does not affect your score, including checking your own credit and most lender pre-qualification checks.

Rapid Rescore

A lender-initiated process that updates verified changes on your credit report within days instead of the standard 30–45 day cycle.

Tradeline

An individual account — a credit card, loan, or line of credit — listed on your credit report.

Thin File

A credit report with too little history for scoring models to generate a confident, reliable score.

Mid-Score

Of your three bureau scores, the middle value — the one mortgage lenders typically use to qualify you.

Resources

- AnnualCreditReport.com — free credit reports from all three bureaus
- Consumer Financial Protection Bureau (consumerfinance.gov) — credit rights and dispute guidance
- Texas State Affordable Housing Corporation (tsahc.org) — down payment assistance program details

Connect With Wayne Wallace

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Final Thoughts

Your credit score isn't a verdict — it's a snapshot of habits that can change. Whether you're starting from nothing, recovering from a setback, or fine-tuning an already-solid file, the path forward is the same: know your numbers, focus on what actually moves them, and don't go it alone.

Thank you for letting me be part of your journey toward mortgage-ready credit.

— Wayne Wallace

Ready for your next step?

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