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## What To Do When Your Home Mortgage Application is Denied

Qualifying for a home mortgage is a detailed and intricate process. Your approval or rejection depends on several key pieces of information. These include your debt-to-income ratio, your total stable income, and your credit score and history, among others. If you are rejected for a home mortgage, there are several things you can do next time you apply to improve your chances of being approved.

First, start by finding out exactly what went wrong with your last application. Your lender is legally obligated to give you a specific reason for the denial, if you inquire with him within 60 days of the rejection. Make sure you get something more helpful than something like “you did not meet our requirements.” You can legally push your lender to provide a more detailed answer, like if you had a poor credit rating, or if you did not have sufficient income. Figuring out what part of the requirements you did not meet will be helpful in fixing the problem. For example if your lender was nervous because you recently switched jobs, you should provide any related documents that show a history of steady employment history.

You should also make sure that your rejection was handled properly. A mortgage lender is required to make a decision on your loan application within 30 days. If it is denied, the lender must inform you in writing within the same period.

Another important step is to find out if there were any questions about your credit record. You are allowed to obtain a copy of your credit history from one of the main credit reporting agencies at no charge if you request it within 60 days of your rejection letter. You should review the information listed and look for any incorrect data. It is possible that someone else’s account information may have been slipped into your credit inadvertently, or there may be some late payments recorded that were not actually late. If you discover any mistakes, you can take it up with the credit bureau and challenge the information. When the blunders are removed from your record, you may see a quick improvement in your credit score. If there are legitimate problems with your credit history, you will have to buckle down and start making payments in full and on time. You may have to close some credit accounts. Do what it takes and be patient to create a score that will allow you to qualify for a home mortgage.

You should also request a copy of the home appraisal from your lender. If that was the reason for your denial, it is crucial to review the details of the appraisal and check for any inaccuracies. Make sure that nothing shady or illegal took place in the survey, like the use of the racial composition of the home’s neighborhood to determine the value. If you suspect any foul play, report it to the Federal Trade Commission at [www.ftc.gov](http://www.ftc.gov) or by calling toll-free 1-877-FTC-HELP.

Overcoming a home mortgage application denial can be tough, but can be done if you are determined and persistent. Try shopping around with lots of lenders to find one that will accept your income, credit and assets. After you have figured out what features of your application your last lender was most worried about, you can make the necessary changes and put yourself in a much better position to be approved next time.