



Community Action
Partnership of Hennepin County

National Homeownership Month Savings & Credit



SAVINGS BEFORE YOU BUY A HOME

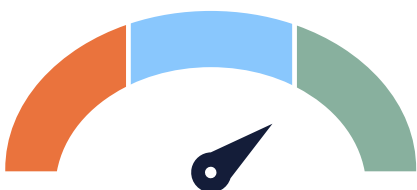
An emergency savings account can be the difference between an unexpected expense being a major set back or a minor bump in your road to financial wellness. It's a good idea to have savings covering 3 to 6 months of expenses in case of unexpected life changes such as job loss, illness, or car repairs. If you use part of your savings, make sure to replenish those funds to prepare for the next unplanned expense.



CREDIT BEFORE YOU BUY A HOME

Your credit score is an important factor in getting approved for a home loan. That means you'll need to have good credit history. To build your credit history, you should have several open and active credit accounts such as student loans, rent payments, car loans, and credit cards. Payment history counts for 35% of your credit score. So set those calendar reminders and make payments on time to build good credit!

While a few open and active credit accounts are necessary to build good credit history, it's important not to have *too many* open credit accounts. Each time you submit a credit application, it's called a "hard inquiry." One hard inquiry will probably only effect your credit score a little, but too many hard inquiries in too short of a timeframe can add up and have a compounding negative effect on your score. And, opening a new account decreases the average age of your credit accounts, which can also hurt your score.



KNOW YOUR CREDIT SCORE

Make sure to review your credit score at least once per year to make sure the information is accurate and to stay ahead of identity theft. Each of the three nationwide consumer credit reporting companies—Equifax, Experian, and TransUnion—is required to give you a free credit report every 12 months upon request. You can request all three of your reports at once or space them out over the course of the year. Try it at annualcreditreport.com.