Credit Grades

Mortgage companies often grade your loan based on certain credit related items such as payment history, amount of debt payments, bankruptcies, equity position, and your credit score. Below is a guide to help you estimate your credit grade. This is only a guide as many companies have exceptions that may result in stricter or more lenient guidelines.

A General Guide to B, C & D Credit Grades

Quality Level	Credit Score	Debt Ratio	Max LTV Ratio	History for Credit Type	Delinquencies:			Typical Additional Requirements
					# of times	# of days	Within last	
A+ to A-	670+ 660	28/ 38	To 95%	Mortgage Installment/ Revolving	0 0 - 1 0 - 1	- 30 60	24 mo 12 to 24 months	Good/excellent credit during last 2 to 5 years. No bankruptcy within the last 2 to 10 years.
B+ to B-	620	50	75 - 85	Mortgage Installment/ Revolving	2 - 3 2 - 4 0 - 2	30 30 30	12 mo 12 mo 12 mo	No 60-day mortgage lates. 24 - 48 months since bankrupt discharge. Higher number of rolling lates may be allowed.
C+ to C-	580	55	75	Mortgage Installment/ Revolving	3 - 4 0 - 2 4 - 6 2 - 4	30 60 30 60	12 mo 12 mo 12 mo 12 mo	12 - 24 months since bankrupt discharge. High "rolling" lates allowable.
D+ to D-	550	60	65 - 70	Mortgage Installment/ Revolving	2 - 6 1 - 2 Poor payment record with limited 90 day, isolated 120 day	60 60	12 mo 12 mo	Bankruptcy discharge within last 12 months. Judgments to be paid w/ loan proceeds. Not in foreclosure.
E	520-	65	50- 65	Mortgage Installment/ Revolving	Poor payment record with a pattern of 30, 60, and 90+ lates			Possible current bankruptcy, foreclosure. Stable current employment

PickYourOwnRate.com
Get the rate that you deserve.

The figures shown here are estimates. When trying to figure your credit grade, keep in mind the following principles:

- **Other Things Being Equal**
  When your have bad credit all of the other aspects of the loan need to be in order. Equity, stability, income, documentation and assets play a larger role in the approval decision.
- **Worst Case Scenario**
  When determining your grade, various combinations are allowed, but the worst case will push your grade to a lower credit guide. Late mortgage payments and bankruptcies are the most important.
- **Going Once, Going Twice**
  Credit patterns are very important. A high number of recent inquiries and more than a few outstanding loans may signal a problem. A "willingness to pay" is important, thus late payments in the same time period is better than random late payments as they signal an effort to pay even after falling behind.

This article is provided free of charge by PickYourOwnRate.com and should be used for informational purposes only.
PickYourOwnRate.com, it's partners and/or affiliates are not a credit repair company and do not provide credit repair services.
Please contact a professional credit repair company should you require further assistance in improving your credit.