



January 25, 2010

4 obstacles to getting credit for home mortgages

GRETA GUEST

Four major factors contribute to why people are being refused credit for mortgages -- bad credit, no down payment, low income and inaccurate appraisals, according to Drew Sygit, head of the Lending Edge Team at First Michigan Bank in Troy and a certified mortgage and equity planner. Here's his advice:

Bad credit

Call a counselor and work toward repairing your credit before a serious house search. Be careful and watch for scams in this area. Try a housing counselor approved by the U.S. Department of Housing and Urban Development by calling 800-569-4287 or go to www.hud.gov.

No down payment

Talk to a family member or employer for a loan. If you have a 401(k) or an IRA, you may be able to borrow against it. Work out a budget with a counselor to save a down payment. Try **GreenPath Debt Solutions, a nonprofit organization**, at www.greenpath.com or call **866-648-8122**. To contact a mortgage broker for help in Michigan, go to www.MMBAonline.com.

Low income

Check with a credit counselor about how to stretch the income or ask family members about a loan or cosign on your loan.

Appraisal is out of sync with the offer

There's not a lot people can do about this except go to another lender and get another appraisal. However, if the loan is government-backed, such as an FHA loan, the appraisal must be used for four months.