

Housing Tips – Bad Credit

Having a low credit score makes it difficult to find a place to rent. If you have bad credit, here are some things you can do to improve your situation.

1. Learn your credit score. How?

- a. Get copies of your credit reports and scores from all three credit bureaus through Experian:
www.experian.com or (888) 397-3742
Purchase the “3 Bureau Credit Report & Scores”
Fee: \$39.95 (as of 3/13/2012)
- b. If you can’t afford to purchase your credit score, you can view a copy of your credit report for free once a year from www.annualcreditreport.com. Review your report to find errors and work to correct them.

2. Improve your credit score. How?

- a. Make sure you are not behind on any bills. If you are, make payments to get them current.
- b. If you have past debts that are unpaid, pay them off.
- c. If you are in danger of missing payments, contact the company and explain your situation. They may not waive penalties (e.g. late fees), but if you were a good customer to this point they may work with you to accept a smaller payment without negatively affecting your credit score.

3. What does the landlord require for a credit score?

- a. Ask the landlord what credit scores they will accept.
- b. If your credit is lower, ask what solutions they will consider or offer solutions.
- c. Common solutions:
 - i. Pay a higher amount for the security deposit
 - ii. Pay the first and last month’s rent up front
 - iii. Have someone with good credit act as a co-signer on your lease

If your credit score does not meet the landlord’s criteria and they are not willing to accept any solutions, do not pay an application fee. Keep looking for a property that will work with your credit score.