

### Make an Action Plan for Your C's of Credit

Refer to "Rate Your C's" to make a plan to strengthen your financial profile before you meet with a lender. If you already meet some of the targets listed below, congratulations. You do not need to action plan for those items.

4 C's (without collateral because I don't have a home yet)	My target is	My current financial situation is	The gap between my current situation and my target is	My target date is	To reach my target, I will need to do the following three things	Two things that will help me stay on target are	Two obstacles that might get in the way are
<i>Example Capital</i>	<i>Documented savings for at least two years</i>	<i>Documented savings for one year</i>	<i>One year or 12 months</i>	<i>12 months</i>	<i>1. Continue saving 2. Transfer at least \$200 into my savings account every month 3. Spend less on going out to eat</i>	<i>1. A picture of my dream home in my wallet 2. Auto-transfers into my savings account</i>	<i>1. Late nights at work (that make me want to go out to eat) 2. Unexpected expenses</i>
<b>Capital</b>	Documented savings for at least two years						
	Enough cash to pay for the upfront costs of homeownership (at least 10% of area median home price)						
<b>Capacity</b>	Steady, documented income for at least two years						
	Debt that is less than 5% of my gross monthly income						
<b>Credit</b>	Credit score of at least 740						
	Established non-traditional credit history of rent, utility and other regular payments for at least two years						