



If you're delinquent on your mortgage, your credit score will suffer. Everyone knows that. The question is, by how much?

Until recently, those answers were hard to come by. Fair Isaac, which developed FICO scores, pulled back the curtain a bit, revealing some estimates of point-score declines following mortgage delinquency problems.

Here are the average hit your credit will take:

30 days late: 40 - 110 points

90 days late: 70 - 135 points

Foreclosure, short sale or deed-in-lieu: 85 - 160

Bankruptcy: 130 - 240

Some borrowers may think that because they never missed a payment, they can "walk away" from their homes with relatively little impact on scores. Not true. When a deed-in-lieu or short sale is reported as a partial payment, it's treated as a serious delinquency, just like a foreclosure.

Even if borrowers made payments faithfully for years before short selling or doing a deed-in-lieu, their credit score will still take a hit. The total decline will run about 85 points for the 680 score borrower to as much as 160 for the 780 score.

Mortgage debt, combined with other financial problems, can send borrowers into bankruptcy, the worst thing that can happen to your credit score.



*"A loan is more than just a purchase or refinance...
it's about the relationship."*



Dianne Crosby