YOUNG FINANCE ®

A Young Group Company

PRESS INFORMATION
6 October 2008

10 Ways to a Clean, and well Maintained, Credit Reference

(case study available upon request: moakes@younggroup.co.uk)

Neil Young, CEO – Young Group, points out that in the current market, it's vital to ensure that your credit rating is as healthy as possible; "*Lenders are being more cautious than ever and prefer to lend to those with the most squeaky clean credit history. So if you're considering applying for finance such as a mortgage or secured loan, it pays to make sure that your credit report is in the best possible shape.*"

The way that you've dealt with credit in the past is the principal way that lenders assess whether they want to take the risk of lending to you or not. They get this information from credit reference agencies such as Experian and Equifax and look at how you've managed things like loans, credit cards, store cards and mortgage repayments in the past to decide whether your application will be approved.

The Spring Clean

The following simple steps should be used to improve your credit report before you make an application, to ensure that you stand the best possible chance of securing appropriate, affordable credit.

1. Assert your right to vote
As a protection against fraud, lenders use the electoral register to check that you are who you say you are and that you live at the address that you claim to. So if you aren't registered on the electoral roll – or haven't updated your details with your current address, lenders may need additional proof of your identity or refuse your application.

2. Sever irrelevant relationships
When you apply for credit, lenders are able to also check the credit reports of anyone with whom you are listed as having a financial relationship, in case their financial situation makes it difficult for you to meet your repayments. This includes anyone that you have a joint mortgage, credit card or bank account with. So if you are separated or divorced, make sure you tell your lender and the credit reference agencies as soon as possible.

3. Cut your credit
Lenders look at your credit history to see that you are managing your repayments. Even if you are meeting your current repayments, if you have a large amount of available credit (for example on credit cards), lenders not feel comfortable that you

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could manage to meet the repayment on your application if you were to 'max out' your existing available credit too.

If you have additional capacity on credit cards that you do not need, ask the provider to lower your credit limit. Or better still, move outstanding balances to your card with the lowest interest rate and close the unused credit card accounts.

4. Get yourself a reputation
If you're a first time buyer and have never had a credit card or loan, it makes it difficult for lenders to establish that you have a good history of meeting repayments.
So if you're a first time buyer thinking of applying for a mortgage, consider taking out a credit card six months prior to making an application. Using it and paying off the balance in full each month will build some basic credit history.

5. Eye the detail
Ensure that your report accurately reflects your current circumstances. Keep a watchful eye for rogue accounts or charges caused by identity theft or fraud and for duplicate entries that result in duplicates of your unpaid balances. Lenders may not always update the credit reference agencies straight away, so if your circumstances change or you notice information that is outdated, ask your lender to inform Experian and Equifax immediately.

Maintain a Healthy Credit Score

A spring clean is all well and good, but follow these steps to keep your credit score in tip top condition:

1. NEVER miss the mortgage
Missing a mortgage payment is considered by most lenders to be a cardinal sin, and is considered more serious than missing a payment on any other form of credit. But no matter who the lender is, if you're having difficulties in meeting repayments, speak to them as early as possible and they will help to work out a payment schedule that you can afford.

2. The whole truth and nothing but the truth
Make sure that information you provide on applications is accurate and truthful. Inconsistencies can have a negative effect on your credit score when lenders uncover inaccuracies, and may be considered to be fraudulent.

3. Enquire without a trace
When you're at the stage of just researching loans, credit cards, mortgages or other lending, be sure that you don't unwittingly allow lenders to make an application and search your credit report. Lenders should not access your credit history until you expressly request them to and when they do, it will leave a trace on your report. When lenders see a number of these they may think that you are desperate for as much credit as possible or that fraudulent activity is being planned.

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4. Get it settled
If you have defaulted on credit or had a County Court Judgment (CCJ) against you, it will be noted on your credit report. Even once 'settled', some lenders restrict their lending to those whose CCJ or default has been logged as settled for 12 months or more with the credit reference agencies. In which case, it is important that as soon as the status becomes settled, you ensure that your lender informs the credit reference agencies and that your credit report is updated accordingly.

5. Keep a watchful eye
Just as you should always keep an eye on your bank and credit card statements, make it a habit to take a look at your credit report. It changes constantly, so it's important to ensure that it remains accurate and up to date, that no one is running up debt in your name and that the correct information is being passed to the credit reference agencies by your lenders.

Understanding and proactively managing your credit history can help you get the best access to finance deals.

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Notes for Editors:

About Young Group
Young Group specialises in providing Property Portfolio Management services to private investors, offering the best off-plan direct investment opportunities in London, as well as access to indirect, development fund investment opportunities through its development arm, Young Property. Young Group manages the entire investment process. For direct investments this spans from sourcing the opportunities through to financing, furnishing and letting. Young Group owns all the property that it sells, and also retains a number of units in each development for its own portfolio. As the principal in every transaction, Young Group does not realise any profits until completion and has transacted in excess of 1,700 apartments, with a retail value of more than £700 million. The majority of our units are bought by clients for their private portfolios.

The Group's portfolio managers liaise with the **Young London** (www.younglondon.co.uk) estate agency team in advance of completion to let investors' apartments to quality tenants, often through corporate lets.

- Young Group's iconic Canary Wharf development, **The Landmark** (www.TheLandmarkE14.com), has been awarded two **Daily Mail Property Awards** in the categories of *best high rise development* and *best high rise architecture*. The Landmark East Tower rises to a height of 459 ft, making it one of the tallest residential properties in Europe.

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- Young Group's COO, Sylvana Young, has been named Bradford and Bingley's **Property Woman of the Year**, 2008 for London.

Young Group supports NORWOOD and CHILDREN with LEUKAEMIA, two charities particularly close to our heart, donating £50 per property exchange and providing additional support throughout the year. Visit www.younggroup.co.uk to learn more.

About Young Finance

Young Finance (www.youngfinance.co.uk) is an appointed representative of Thinc Assured Network, one of the UK's largest financial advisory firms and is not tied to any group of lenders, nor does it charge commission or transaction fees.

Neil Young, CEO – Young Group, is available for interview/further comment

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