Collections, Disputes, and Your Mortgage

What actually blocks a loan, and what does not.

COLLECTIONS

Small old collections often do not block approval at all. Medical collections get special leniency on most programs. Large or recent ones may need payment or a plan, case by case.

THE DISPUTE TRAP

Active disputes freeze the account's history and can block conventional approval until resolved. Clean up disputes before applying, not during escrow.

CHARGE OFFS AND JUDGMENTS

Charged off debt usually needs explanation, sometimes payoff. Judgments and tax liens generally must be paid or in a payment plan. None of these are automatic no's; they are paperwork.

BEFORE YOU APPLY

- **Do not pay old collections without asking first, it can reset the clock**
- **Resolve open disputes early**
- **Gather documentation on anything derogatory**
- **Medical debt gets special treatment**
- **A 15 minute lender call beats guessing**

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