

Bankruptcy, Foreclosure & Short Sales

Waiting periods to acquire a new mortgage

FHA		CONVENTIONAL	
Chapter 7 & 11 Bankruptcy	<ul style="list-style-type: none"> • 2 years from discharge date (No delinquent credit after bankruptcy) • 1-2 years from discharge date with extenuating circumstances* 	Chapter 7 & 11 Bankruptcy	<ul style="list-style-type: none"> • 4 years from discharge date • 2 years from discharge date with extenuating circumstances*
Chapter 13 Bankruptcy	<ul style="list-style-type: none"> • 1 year of timely payments (borrower must have permission from courts to obtain mortgage) 	Chapter 13 Bankruptcy	<ul style="list-style-type: none"> • 2 years from discharged date • 4 years from dismissal date • 2 years from discharge or dismissal date with extenuating circumstances*
Foreclosure	<ul style="list-style-type: none"> • 3 years from release date • 1 year from release date on exception with "Total Scorecard Approval" AND SIGNIFICANT extenuating circumstances** 	Foreclosure	<ul style="list-style-type: none"> • 7 years from completion date • 3 years from completion date with extenuating circumstances* <ul style="list-style-type: none"> • <i>Must have at least 10% down payment</i> • <i>Purchase: Owner occupied only</i> • <i>Rate & Term refinance: any occupancy</i>
Short Sale Deed-in-Lieu	<ul style="list-style-type: none"> • 3 years if homeowner was in default at time of short sale (exceptions can be made with SIGNIFICANT extenuating circumstances.**) 	Short Sale Deed-in-Lieu	<ul style="list-style-type: none"> • 7 years per product guidelines (80% max LTV) • 2 years with DU approval (80% max LTV) • 4 years with 90% LTV – purchase of primary residence or rate & term refinance of any occupancy • 2 years with extenuating circumstances* (80% max LTV)
USDA		VA	
Chapter 7 & 11 Bankruptcy	<ul style="list-style-type: none"> • 3 years from discharge date • Less than 3 years may be considered with acceptable extenuating circumstances* 	Chapter 7 & 11 Bankruptcy	<ul style="list-style-type: none"> • 2 years from discharge date • 1- 2 years are occasionally accepted and require extenuating circumstances and re-establishment of credit for 1 year
Chapter 13 Bankruptcy	<ul style="list-style-type: none"> • 1 year from date of repayment was completed & BK discharged • Less 1 year may be considered with acceptable extenuating circumstances* • Must have satisfactory repayment history; must have court permission to obtain mortgage 	Chapter 13 Bankruptcy	<ul style="list-style-type: none"> • 1 year from date of repayment was completed & BK discharged • Must have satisfactory repayment history; must have court permission to obtain mortgage
Foreclosure Short Sale Deed-in-Lieu	<ul style="list-style-type: none"> • 7 years from completion date • 3 years from completion date with extenuating circumstances* <ul style="list-style-type: none"> • <i>Must have at least 10% down payment</i> • <i>Purchase: Owner occupied only</i> • <i>Rate & Term refinance: any occupancy</i> 	Foreclosure	<ul style="list-style-type: none"> • 2 years from completion date • 1-2 years are occasionally accepted and require significant circumstance and re-establishment of credit for 1 year
		Short Sale Deed-in-Lieu	<ul style="list-style-type: none"> • 2 years if homeowner was in default at time of short sale (exceptions can be made with SIGNIFICANT extenuating circumstances** with automated underwriting "approval") • No waiting period provided homeowner was current for 12 months preceding sale date <u>AND</u> homeowner did not take advantage of declining market conditions.

- VA Extenuating circumstances: Unemployment, prolonged strikes, medical bills not covered by insurance.
- Extenuating circumstances (examples): Serious illness; Accidents; Layoff or downsizing jobs; Identity Theft.
- SIGNIFICANT extenuating circumstance: Serious illness; death of a wage earner. Divorce and job relocation typically not considered significantly