

When can your buyers get a mortgage again?

Experiencing a damaging credit event like a foreclosure, short sale or bankruptcy doesn't mean your borrowers will never be eligible for a mortgage again. As they prepare to buy their next home, take a look at this useful chart to see typical waiting periods before they can be approved for a mortgage. If they experience extenuating circumstances, their wait time may be shorter. Extenuating circumstances are temporary events that are beyond a borrower's control, such as the loss of job, medical bills or the death of a wage earner. Divorce and the inability to sell the house after a job relocation do not qualify. These events must be verified and documented, and they are subject to a review by an underwriter.

Fannie Mae Financing

Chapter 7 Bankruptcy 4 years from discharge or dismissal date
Chapter 13 Bankruptcy 4 years from dismissal date, 2 years from discharge date
Short Sale 2 years with max 80% LTV, 4 years with max 90% LTV, 7 years > 90% LTV
Foreclosure 7 years from date of completion

Freddie Mac Financing

Chapter 7 Bankruptcy 4 years from discharge or dismissal date
Chapter 13 Bankruptcy 2 years from discharge date
Short Sale 4 years from completion date for short sale, 4 years for deed-in-lieu
Foreclosure 7 years from completion date, 4-7 years max 10% down, max 90% LTV

FHA Financing

Chapter 7 Bankruptcy 2 years from discharge date
Chapter 13 Bankruptcy 1 year timely payments, with permission from the courts to enter into a mortgage transaction.
Foreclosure 3 years from date of completion
Short Sale 3 years from completion date (per FHA ML 09-52, FHA financing can be obtained in less than 3 years under certain conditions)

VA Financing

Chapter 7 Bankruptcy 2 years from discharge date
Chapter 13 Bankruptcy 1 year timely payments, with permission from the courts to enter into a mortgage transaction
Foreclosure 2 years from discharge date
Short Sale No specific info yet, assume the foreclosure rule of 2 years

USDA Rural

Chapter 7 Bankruptcy 3 years from discharge date
Chapter 13 Bankruptcy 1 year timely payments, with permission from the courts to enter into a mortgage transaction
Foreclosure 3 years from completion date
Short Sale 3 years from completion date



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JUMBO waiting periods vary by lender. Waiting period time frames may be less in situation with extenuating circumstances. For LTV's greater than 80% - mortgage insurance guidelines may differ. Freddie Mac guidelines updated for 2/1/2011 changes. PHH Home Loans, LLC, 1 Mortgage Way, 3rd floor, Mt. Laurel, NJ 08054. NMLS #4256. Arizona Residential Mortgage Licensee #4256. Licensed by the Department of Corporations under the California Mortgage Lending Act. Illinois Residential Mortgage Licensee #MB.6759865; 100 W. Randolph, 9th floor, Chicago, IL 60601, 800-532-8785 Minnesota — this is not an offer to enter an interest rate lock in agreement. Equal housing lender. Offer of credit is subject to credit and property approval.

