

GUIDELINES JANUARY 2013

FORECLOSURE – DEED IN LIEU – SHORTSALE – LOAN MOD - BANKRUPTCY

There are two standards by which lenders review your past history as it relates to Bankruptcy, foreclosure, deed in lieu, (hand over the keys) loan modification and a short sale. Below I have provided both Conventional Loan guidelines (Fannie Mae and Freddie Mac) and Government Loan Guidelines (FHA, VA and USDA).

NOTE: These guidelines are subject to change and the viewer should contact me to insure you have the most recent version.

Conventional Guidelines

Foreclosure – Pre-foreclosure – Loan Modification – Short Sale:

7 years from the date foreclosure completed and transferred back to bank/lender
For maximum financing allowed by the program

4 years from the date foreclosure completed and transferred back to bank/lender with 10%
down

2 years from the date foreclosure completed and transferred back to bank/lender with 20%
down

Deed-in-Lieu of Foreclosure: 4 years from completion date for an Owner-occupied purchase or
limited cash out refinance.

7 years from completion date if transaction is a cash-out, second home, or investment
property

Loan Modifications: waiting period is from the modification completion date.

Bankruptcy Chapter: 7: 4 years from date of discharge date or dismissal date

Bankruptcy Chapter: 13: 2 years from discharge date and 4 years from dismissal date

Multiple Bankruptcy filings in 7 years: 5 years from latest discharge or dismissal date

Consumer Credit Counseling: Must be approved by the Fannie Mae or Freddie Mac automated
systems

Government Loan Guidelines

FHA

Foreclosure - Deed-in-Lieu of Foreclosure: 3 years from the date of foreclosure completed and transferred back to bank/lender

Or Less than 3 years but not less than 12 months from the date foreclosure completed and transferred back to bank/lender may be acceptable if the result of extenuating circumstances.

Short Sale: 3 years from date sale closed and transferred to new owner

Pre-Foreclosure: Less than 3 years, but not less than 12 months when transferred back to bank/lender

Loan Modification: Waiting period is from the modification completion date.

Bankruptcy Chapter 7: 2 years from date of discharge with re-established credit paid as agreed or no new credit obligations incurred

Bankruptcy Chapter 13: 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time. Permission must be given by the courts to enter into a new mortgage obligation if currently under the payout period.

Consumer Credit Counseling: 1 year of the payout must have elapsed and payments must be made on time. Borrower must receive permission from the agency to enter into a mortgage

VA Guidelines

Foreclosure - Deed-in-Lieu of Foreclosure: 2 years from date of foreclosure completed and transferred back to bank/lender

Short Sale: 2 years from date sale closed and transferred to new owner or completion date of modification

Pre-Foreclosure: Less than 3 years, but not less than 12 months when transferred back to bank/lender

Loan Modification: Waiting period is from the modification completion date.

Bankruptcy Chapter 7: 2 years from date of discharge, 12-23 months from date of discharge with re-established credit paid as agreed or no new credit obligations incurred

Bankruptcy Chapter 13: 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time. Permission must be given by the courts to enter into a new mortgage obligation if currently under the payout period.

Consumer Credit Counseling: 1 year of the payout must have elapsed and payments must be made on time. Borrower must receive permission from the agency to enter into a mortgage

USDA Guidelines

Foreclosure - Deed-in-Lieu of Foreclosure: 3 years from date of foreclosure completed and transferred back to bank/lender

Short Sale: 3 years from date sale closed and transferred to new owner or completion date of modification

Pre-Foreclosure: Less than 3 years, but not less than 12 months when transferred back to bank/lender

Loan Modification: Waiting period is from the modification completion date.

Bankruptcy Chapter 7: 3 years from date of discharge, 12-23 months from date of discharge with re-established credit paid as agreed or no new credit obligations incurred

Bankruptcy Chapter 13: 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time. Permission must be given by the courts to enter into a new mortgage obligation if currently under the payout period.

Consumer Credit Counseling: 1 year of the payout must have elapsed and payments must be made on time. Borrower must receive permission from the agency to enter into a mortgage