

Waiting Periods



Required for significant adverse credit events

Thousands of home owners were forced to foreclose, short sale or even declare bankruptcy as a result of the recession related hardships. Despite these hard times, there is a light at the end of the tunnel for borrowers looking to become homeowners once again. This list below is a general guide for those with past credit events to help determine eligibility.

	SCENARIOS	TIME
CONVENTIONAL	Short Sale/Deed-in-Lieu, (event to be seasoned prior to disbursement of new loan).	DU Loans: 4 years have elapsed since completion; LP Loans: Short Sale: 4 years from completion date.
	Foreclosure, (event to be seasoned prior to disbursement of new loan).	7 years if due to financial mismanagement.
	Mortgage Charge-off, (event to be seasoned prior to disbursement of new loan).	4 year waiting period after charge off date to disbursement of the new loan.
	Bankruptcy: 7 or 11	4 years from Discharge/Dismissal Date. (DU and LP Loans)
	Bankruptcy: 13	2 years from Discharge Date. (DU and LP Loans) 4 years from Dismissal Date. (DU and LP Loans)
	Multiple Bankruptcy Filings within the last 7 years, (event to be seasoned prior to disbursement of new loan).	5 years from the most recent Discharge/Dismissal Date.
FHA	Foreclosure, (3 years from the date of FHA Case number unless extenuating circumstances are documented).	3 years have elapsed since completion.
	Short Sale, Deed-in-Lieu of Foreclosure, Foreclosure, (3 year period begins on date of Short Sale title transfer).	3 years have elapsed since completion. If no delinquencies in past 12 months prior to event then no seasoning is required.
	Bankruptcy: 7 or 11 (FHA Case Number must be assigned after 2 years discharge date).	2 years from Discharge or Dismissal.
	Bankruptcy: 13 , (12 months of the pay-out period must have elapsed prior to FHA Case Number being assigned).	12 month pay history completed. <ul style="list-style-type: none"> all payments have been paid as agreed. approval from the court. loan will require manual UW if the BK has not been discharged 2 years.

Note: Extenuating circumstances are nonrecurring events that are beyond the borrower's control that result in a sudden, significant, and prolonged reduction in income or a catastrophic increase in financial obligations



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	SCENARIOS	TIME
VA	Short Sale, Deed-in-Lieu of Foreclosure	Standard VA Product: 2 years elapsed since completion. • High balance product: 5 years have elapsed since completion.
	Foreclosure	2 years have elapsed since completion.
	Bankruptcy: 7 or 11	2 years from discharge date.
	Bankruptcy: 13	12 month pay history completed. • all payments have been paid as agreed. • approval from the court.
USDA	Bankruptcy Chapter 7 or 11	3 years
	Bankruptcy Chapter 13	3 years or 1 year of BK payout period has elapsed - All Payments made on time. Written permission from BK court to enter into mortgage transaction.
	Deed in Lieu of Foreclosure	3 years - Credit waiver required
	Short Sale	3 years - Credit waiver required
	Foreclosure	3 years - Credit waiver required

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