



SIMPLIFYING THE COMPLICATED



Past Home Loan Issues – Am I Ready to Buy?

If you have had a credit Issue in the past, you may wonder how long you need to wait to buy another home. These are the basic wait times, but there may be other factors!

Issue	Conventional	FHA	VA	USDA
Charge Off - Mortgage	<ul style="list-style-type: none"> 4 Years OR 2 Years with Extenuating Circumstances² 	None	None	None
Deed-in-Lieu	<ul style="list-style-type: none"> 4 years OR 2 Years with Extenuating Circumstances² 	<ul style="list-style-type: none"> 3 Years OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 2 Years OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 36 months prior to loan application
Foreclosure	<ul style="list-style-type: none"> 7 Years – No Bankruptcy 3 Years IF Extenuating Circumstance² but loan limited to 90% of purchase price 	<ul style="list-style-type: none"> 3 Years OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 2 Years OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 36 months prior to loan application
Bankruptcy – Chapter 7	<ul style="list-style-type: none"> 4 Years¹ OR 2 Years with Extenuating Circumstances² 	<ul style="list-style-type: none"> 2 Years¹ OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 2 Years¹ OR 1 Year with Extenuating Circumstances² 	<ul style="list-style-type: none"> 36 months prior to loan application
Bankruptcy – Chapter 13	<ul style="list-style-type: none"> From Dismissal Date: 2-4 Year Depending on Circumstances From Discharge Date: 2 years 	12 Months into Pay-Out with Timely Payments & Court Permission	12 Months into Pay-Out with Timely Payments & Court Permission	12 Months into Pay-Out with Timely Payments & Court Permission
Multiple Bankruptcies	5 Years from Discharge <i>if more than 1 in last 7 years</i> 3 Years from the most recent discharge date	None Required	None Required	None Required
Short Sale	<ul style="list-style-type: none"> 4 Years OR 2 Years with Extenuating Circumstances² 	<ul style="list-style-type: none"> 3 Years OR 1 Year with Extenuating Circumstances² 	None but Likely to Require 12 Months of Satisfactory Credit After Event	<ul style="list-style-type: none"> 36 months prior to loan application
Federal Tax Lien w/ Payment Agreement	Agreement + 1 Payment	Agreement + 3 Payments (not pre-paid)	Agreement & Timely Payment	Agreement + 3 Payments (not pre-paid)

¹From Discharge

²**Extenuating Circumstances Definition:** Non-Recurring Events that are beyond a borrower's control that result in a sudden, significant and prolonged reduction in income or a catastrophic increase in financial obligations. Examples: Divorce, Medical Issue, Job Layoff or Job Severance.