



MORTGAGE AFTER BANKRUPTCY

Sometimes bad financial situations happen to good people and bankruptcy is the only way out. However, even after bankruptcy, there is hope. There are many strategies for putting your credit back on track and getting approved for a mortgage. I have worked with many people to do just that.

Here are eight points to consider:

1. Find the right mortgage lender:

Some lenders will not approve a mortgage if a bankruptcy shows up on a credit report. However, some banks will consider a mortgage after two years, and there are even alternative lenders, who may consider doing so earlier.

2. Reasons for bankruptcy:

If bankruptcy was due to factors beyond your control, this is more acceptable to the lender than if the bankruptcy was the result of poor money management and excessive debt.

3. Size of down payment:

With a past bankruptcy or consumer proposal, most mainstream lenders like

to see a minimum of 10% or more as a down payment. In most cases, the down payment cannot be borrowed or gifted and must come from your own funds.

4. Credit report:

It's crucial that no negative items are showing on your credit report since you filed that bankruptcy.

5. Credit score:

Some lenders have minimum credit score requirements for those with a discharged bankruptcy. I have some great advice and tools to help you do that.

6. Mortgage rate considerations:

Most lenders charge a higher interest rate and, in some cases, extra fees to those with a discharged bankruptcy. A lender may grant a better rate if specific lending criteria are met.

7. Re-established credit:

Re-established credit shows the lender that a prospective borrower has new credit and has managed it well since bankruptcy. These include a discharged bankruptcy of two years or more; good re-established

credit; a saved down payment; good debt servicing ratios, and a long-term history of job stability and income.

8. Do not do it alone:

It would be best if you considered asking for help.

I am always available to help you. For those with bad credit and/or bankruptcy, I can coach you on how to improve your credit score over time.

While we work on bettering your score, I can advise you on how to get a mortgage despite bruised credit, and provide valuable expertise before, during, and after the mortgage financing process.



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