

Waiting periods to obtain financing after a Bankruptcy, Foreclosure or Short Sale

Conventional

- ◆ Chapter 7 or 11 Bankruptcy → 4 years from discharge or dismissal date
- ◆ Chapter 13 Bankruptcy → 2 years from discharge date or 4 years from dismissal date
- ◆ Foreclosure → 7 years from completion date
- ◆ Deed-In-Lieu of Foreclosure / Pre-Foreclosure / Short Sale
 - * 2 years with max 80% max LTV ratio
 - * 4 years with max 90% max LTV ratio
 - * 7 years - LTV ratios per eligibility matrix at the time

FHA

- ◆ Chapter 7 Bankruptcy → 2 years from discharge date
- ◆ Chapter 13 Bankruptcy → 1 year of the payout must elapse & payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage
- ◆ Foreclosure → 3 years from completion date
- ◆ Short Sale → 3 years from completion date,
 - * Per FHA's Mortgagee Letter 09-52, FHA financing can be obtained in less than 3 years under certain conditions *

VA

- ◆ Chapter 7 Bankruptcy → 2 years from discharge date
- ◆ Chapter 13 Bankruptcy → 1 year of the payout must elapse & payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage
- ◆ Foreclosure → 2 years from completion date
- ◆ Short Sale → No specific information on this yet, assume foreclosure rule of 2 years

USDA Rural

- ◆ Bankruptcy (Ch.7 & Ch.13) → 3 years from discharge date
- ◆ Foreclosure → 3 years from completion date
- ◆ Short Sale → 3 years from completion date

** Waiting period time frames may be less in situations with extenuating circumstances**

Kelly Zitlow, CMPS®
Licensed Loan Originator # 164330

Phone: 480-398-4908
Cherry Creek Mortgage Co. BK # 0904024