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**Mortgage Tidbits**

**Keeping you informed and in the know….**

**How to Know When Negative Credit is Really In the Past!**

Having credit issues is stressful and confusing. Most consumers have no idea when they might be able to apply for a new mortgage loan. This handy chart will give consumers the information to help them know the soonest they could apply for a mortgage loan.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Credit Event | Conventional | FHA | VA | USDA |
| Bankruptcy – Chapter 7 | * 4 years from discharge date OR * 2 years with Extenuating Circumstances | * 2 years discharge date OR * 1 year with Extenuating Circumstances | * 2 years from discharge date OR * 1 year with Extenuating Circumstances | * 3 years from discharge date OR * 1 year with Extenuating Circumstances |
| Bankruptcy – Chapter 13 | * 2 years from discharge date OR * 4 years from Dismissal Date | * 12 months into repayment period – must have timely payments and court permission | * 12 months into repayment period – must have timely payments and court permission | * 12 months into repayment period – must have timely payments and court permission |
| Multiple Bankruptcies | * 5 years from last Discharge date (if more than 1 BK in last 7 years) | * 5 years from last Discharge date (if more than 1 BK in last 7 years) | * Follow standard requirements for type of bankruptcy last filed | * Follow standard requirements for type of bankruptcy last filed |
| Foreclosure – Deed In Lieu | * 7 years – No Bankruptcy * 3 years IF Extenuating Circumstances, but limited to 90% LTV * House included in BK, follow BK wait time * Deed In Lieu – 4 years | * 3 years OR * 1 year with Extenuating Circumstances * If house was included in CH BK, treated as 2 separate events | * 2 years OR * 1 year with Extenuating Circumstances * If house was included in BK, follow BK wait time | * 3 years OR * 1 year with Extenuating Circumstances * If house was included in BK, follow BK wait time |
| Short Sale | * 4 years | * 3 years | * None, but 12 months satisfactory credit after event is needed | * 3 years |
| Federal Tax Lien | * Payment agreement + 1 month history of payment | * Payment agreement + 3 month history of payment | * Payment agreement + 3 month history of payment | * Payment agreement + 3 month history of payment |

*Extenuating Circumstance is defined as a non-recurring event(s) that are out of the borrower’s control that result in a sudden, significant and prolonged reduction in income or a catastrophic increase in financial obligations. Examples are death of a wage earner, medical issues, job severance, etc.*

**These are general guidelines and with all credit related issues please contact me to help figure out the best way to accomplish a mortgage loan!**

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**~ Provided to you by ~**

Name: Phone:

Title: Email:

Address: City, State, Zip

Apply Now Link: