

FHA (DETERMINED BY DATE OF CREDIT APPROVAL)

Derogatory Item	Waiting Periods
Foreclosure Deed in Lieu of Foreclosure	Foreclosure: Home was given back to the bank – No owner participation Deed in Lieu: Home returned to lender in exchange for canceling loan <ul style="list-style-type: none"> • 3 years from date foreclosure completed and transferred back to bank • Less than 2 years, but not less than 12 months from date foreclosure completed and transferred back to bank may be acceptable if the result of acceptable extenuating circumstances²
Short Sale	Short Sale: Home sold but sales price didn't cover amount owed <ul style="list-style-type: none"> • 3 years from date sale closed and transferred to new owner. • No waiting period if borrower had no late payments on any mortgages and consumer debts within the 12 month period preceding the short sale AND they are not taking advantage of declining market conditions.
Bankruptcy Chapter 7	Debts are discharged through BK, client does not pay any debts owing <ul style="list-style-type: none"> • 2 years from date of discharge with re-established credit paid as agreed or no new credit obligations incurred. • Less than 2 years, but not less than 12 months from date of discharge may be acceptable if the bankruptcy was caused by acceptable extenuating circumstances² and borrower has since exhibited a documented ability to manage financial affairs in a responsible manner.
Bankruptcy Chapter 13	Debts are paid back on a monthly scheduled payment plan by client <ul style="list-style-type: none"> • 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time.