

Bankruptcy/Foreclosure and Short Sale Time Frames 08/2011

Conventional FNMA	
Bankruptcy Chapter 7 or 11	4 years from discharge
Chapter 13	2 years from discharge or 4 years from dismissal
Multiple BK filings	5 years if more than one filing in the last 7 years
Foreclosure	<p>A seven-year waiting period is required, and is measured from the completion date of the foreclosure action as reported on the credit report or other foreclosure documents provided by the borrower.</p> <p>Exceptions for Extenuating Circumstances A three-year waiting period is permitted if extenuating circumstances can be documented, and is measured from the completion date of the foreclosure action.</p> <p>Additional requirements apply between three and seven years, which include: Maximum LTV, CLTV, or HCLTV ratios of the lesser of 90% or the maximum LTV, CLTV, or HCLTV ratios for the transaction per the Eligibility Matrix.</p> <p>The purchase of a principal residence is permitted. Limited cash-out refinances are permitted for all occupancy types pursuant to the eligibility requirements in effect at that time.</p> <p>Note: The purchase of second homes or investment properties and cash out refinances (any occupancy type) are not permitted until until a seven-year waiting period has elapsed</p>
Deed in Lieu and Short Sales	2 years = 80% max LTV/CLTV
	4 years = 90% max LTV/CLTV
	7 years = LTV per the eligibilty matrix
	<p>Exceptions for Extenuating Circumstances A two-year waiting period is permitted if extenuating circumstances can be documented, with maximum LTV ratios of the lesser of 90% or the maximum LTV ratios for the transaction per the Eligibility Matrix.</p>

FHA	
Chapter 7 Bankruptcy	2 years from discharge date
Chapter 13 Bankruptcy	1 year of payout must elapse and payment performance must be satisfactory-buyer must have permission from the court to enter into a mortgage
Foreclosure	3 years from the date of the trustees deed
Short Sale	<p>No time restriction if the borrower was current at the time of the short sale and all mortgage payments were made within the month due for the previous 12 months prior to application date and the proceeds from the short sale serve as payment in full. Borrowers may not take advantage of market conditions. They may not move to the same area that they short sold their property. Must be outside a reasonable commuting distance.</p> <p>If in default must wait 3 years If underlying loan was FHA, must wait 3 years</p>

VA	
Chapter 7 Bankruptcy	2 years from discharge date
Chapter 13 Bankruptcy	1 year of payout must elapse and payment performance must be satisfactory-buyer must have permission from the court to enter into a mortgage
Foreclosure	2 years from completion date
Short Sale	2 years unless there are extenuating circumstances

USDA	
Chapter 7 & 13 Bankruptcy	3 years from discharge date
Foreclosure	3 years from the trustees deed
Short Sale	3 years

