



Updated 5/31/11

## WAITING PERIODS REQUIRED FOR SIGNIFICANT DEROGATORY CREDIT EVENTS

*\*\*This matrix is intended for information purposes only and is not to be distributed to consumers. Information is constantly subject to change so please contact us for specific scenarios.*

### CONVENTIONAL LOANS

(DETERMINED BY **DATE OF APPLICATION**)

*\*MUST RECEIVE AN AUS APPROVE/ELIGIBLE INCLUDING THOSE WITH EXTENUATING CIRCUMSTANCES.*

Derogatory Item	Waiting Periods
Foreclosure	Home was given back to the bank- NO owner participation <ul style="list-style-type: none"> <li>• <b>7 years</b> from date foreclosure completed and transferred back to bank if they had no extenuating circumstances.</li> <li>• <b>3 years</b> from date foreclosure completed and transferred back to bank with acceptable extenuating circumstances and 10% Down Payment. Primary home purchase and rate/term refinance only. Non-owner and second homes not allowed.</li> </ul>
Short Sale Deed in Lieu of Foreclosure Loan Modification	Short Sale: Home sold but sales price didn't cover amount owed Deed in Lieu: Home returned to lender in exchange for cancelling loan Loan Modification: Loan Note on Mortgage Modified from Original at Borrowers Request <ul style="list-style-type: none"> <li>• <b>7 years</b> from date sale closed and transferred to new owner or transferred back to bank for <b>less than 10% down payment</b></li> <li>• <b>4 years</b> from date sale closed and transferred to new owner or transferred back to bank with <b>10% down payment</b></li> <li>• <b>2 years</b> from date sale closed and transferred to new owner or transferred back to bank with <b>20% down payment</b></li> <li>• <b>2 years</b> from date sale closed and transferred to new owner or transferred back to bank possible with acceptable extenuating circumstance and <b>10% down payment.</b></li> </ul>
Bankruptcy Chapter 7	Debts are discharge through BK, client does not pay any debts owing <ul style="list-style-type: none"> <li>• <b>4 years</b> from discharge date</li> <li>• <b>2 years</b> from discharge date possible with acceptable extenuating circumstance.</li> </ul>
Bankruptcy Chapter 13	Debts are paid back on a monthly scheduled payment plan by client <ul style="list-style-type: none"> <li>• <b>2 years</b> from discharge date</li> <li>• <b>4 years</b> from dismissal date</li> </ul>
Multiple BK Filings in last 7 years	5 years from Discharge or Dismissal date
Consumer Credit Counseling	Must be approved by an Automated Underwriting System (AUS)

## FHA LOANS

(DETERMINED BY DATE OF **CREDIT APPROVAL**)

Derogatory Item	Waiting Periods
Foreclosure Deed in Lieu of Foreclosure	Foreclosure: Home was given back to bank- No owner participation Deed of Lieu: Home returned to lender un exchange for canceling loan <ul style="list-style-type: none"> <li>• <b>3 years</b> from date foreclosure completed and transferred back to bank</li> <li>• <b>Less than 2 years, but not less than 12 months</b> from date foreclosure completed and transferred back to bank may be acceptable if the result of acceptable extenuating circumstances.</li> </ul>
Short Sale Loan Modification	Short Sale: Homes sold but sales price didn't cover amount owed. Loan Modification: Loan Note on Mortgage Modified from Original at Borrowers Request <ul style="list-style-type: none"> <li>• <b>3 years</b> from date sale closed and transferred to new owner.</li> <li>• <b>No waiting period</b> if borrower had no late payments on any mortgages and consumer debts within the 12 month period preceding the short sale AND they are moving outside of the current geographic/commuter area (case specific)</li> </ul>
Bankruptcy Chapter 7	Debts are discharge through BK, client does not pay any debts owing <ul style="list-style-type: none"> <li>• <b>2 year</b> from date of discharge with re-established credit paid as agreed</li> <li>• <b>Less than 2 years, but not less than 12 months from</b> date of discharge may be acceptable if the bankruptcy was caused by acceptable extenuating circumstances and borrower has since exhibited a documented ability to manage financial affairs in responsible manner.</li> </ul>
Bankruptcy Chapter 13	Debts are paid back on a monthly schedule payment plan by client <ul style="list-style-type: none"> <li>• <b>1 year payout period</b> under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time.</li> </ul>
Consumer Credit Counseling	1 Year of the payout must have elapsed & Payments made on time. Must receive permission from the courts to enter into a mortgage

## VA LOANS

(DETERMINED BY DATE OF **CREIT APPROVAL**)

Derogatory Item	Waiting Periods
Foreclosure Deed in Lieu of Foreclosure Loan Modification	Foreclosure: Home was given back to bank- No owner participation Deed of Lieu: Home returned to lender un exchange for canceling loan Loan Modification: Loan Note on Mortgage Modified from Original at Borrowers Request <ul style="list-style-type: none"> <li>• <b>2 years</b> from date foreclosure completed and transferred back to bank</li> <li>• <b>12-23 months</b> from date foreclosure completed and transferred back to bank if credit re-established and paid as agrees and was caused by acceptable extenuating circumstances.</li> </ul>
Short Sale	Short Sale: Homes sold but sales price didn't cover amount owed. <ul style="list-style-type: none"> <li>• <b>2 years</b> from date sale closed and transferred to new owner.</li> <li>• <b>No waiting period</b> 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.</li> </ul>
Bankruptcy Chapter 7	Debts are discharge through BK, client does not pay any debts owing <ul style="list-style-type: none"> <li>• <b>2 year</b> from date of discharge or dismissal with re-established credit paid as agreed or no new credit obligations incurred.</li> <li>• <b>12-23 months</b> date of discharge if credit re-established and paid as agreed and was caused by acceptable extenuating circumstances.</li> </ul>
Bankruptcy Chapter 13 Consumer Credit Counseling	Debts are paid back on a monthly schedule payment plan by client <ul style="list-style-type: none"> <li>• <b>1 year payout period</b> must have elapsed &amp; Payments made on time. Must receive permission from the courts to enter into a mortgage</li> </ul>

**USDA LOANS**  
(DETERMINED BY DATE OF **CREDIT APPROVAL**)

Derogatory Item	Waiting Periods
Foreclosure Deed in Lieu of Foreclosure Short Sale Loan Modification	Home was given back to bank- No owner participation Deed of Lieu: Home returned to lender un exchange for canceling loan Short Sale: Home sold but sales price didn't cover amount owed <ul style="list-style-type: none"> <li>• <b>3 years</b> from date foreclosure completed and transferred back to bank</li> <li>• <b>Less than 3 years</b> from date foreclosure completed and transferred back to bank may be considered with acceptable extenuating circumstances.</li> </ul>
Bankruptcy Chapter 7	Debts are discharge through BK, client does not pay any debts owing <ul style="list-style-type: none"> <li>• <b>3 year</b> from date of discharge</li> <li>• <b>Less than 3 years</b> from date of discharge may be considered with acceptable extenuating circumstances.</li> </ul>
Bankruptcy Chapter 13 Consumer Credit Counseling	Debts are paid back on a monthly schedule payment plan by client <ul style="list-style-type: none"> <li>• <b>1 year</b> from the date repayment was completed and bankruptcy discharged.</li> <li>• <b>Less than 1 year</b> from the date of discharge may be considered with acceptable extenuating circumstances.</li> </ul>

**Examples of acceptable extenuating circumstances (circumstances must be verified and documented)**

1. **Conventional:** nonrecurring events that are beyond the borrowers control that result in a sudden, significant, and prolonged reduction in income or catastrophic increase in financial obligations.
2. **FHA:** Serious illness or death of wage earner. Divorce and the inability to sell property due to job transfer or relocation to another area **does not** qualify as an acceptable extenuating circumstance.
3. **VA:** Unemployment, prolonged strikes, medical bills not covered by insurance, etc, Divorce is not viewed as beyond the control of the borrower and/ or spouse.
4. **USDA:** loss of job; delay or reduction on government benefits or other loss of income; increased expenses due to illness, death, etc. Circumstances surrounding the adverse information must have been temporary in nature, and beyond the applicants control, and have been removed so their reoccurrence is unlikely or the adverse action or delinquency was the result of a refusal to make full payment because of defective goods or services or as a result of some other justifiable dispute relating to the good or services purchased or contracted for.

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