

CONVENTIONAL (FNMA)

- **BANKRUPTCY/CH. 7 OR 11:** 4 years with established credit seasoned from the discharge or dismissal to the closing (note) date. Less than 4 years but no less than 2 years with documented extenuating circumstances and the borrower has reestablished credit.
- **BANKRUPTCY/CH. 13:** 2 years from discharge or 4 years from dismissal to the closing (note) date. A shorter waiting period based on the discharge date recognizes the borrowers have already met a portion of the waiting period within the time needed for successful completion of the Ch 13. A borrower who was unable to complete the Ch 13, and received a dismissal will be held to a 4-year waiting period.
- **MULTIPLE BANKRUPTCY FILINGS:** For a borrower with more than one bankruptcy filing within the past 7 years, a 5-year waiting period is required, measured from the most recent dismissal or discharge date to the closing (note date). Less than 5 years but no less than 3 years with documented extenuating circumstances and the borrower has reestablished credit.
- **FORECLOSURE:** 7 years from transfer of title to the foreclosing entity/designee to the closing (note) date. Less than 7-years but no less than 3 years with documented extenuating circumstances, in addition to the below:
 - 90 % LTV/CLTV/HCLTV
 - Primary Principal Residence
 - Limited cash-out refinance is permitted for all occupancy types pursuant to the eligibility requirements in effect at that time
- **DEED-IN-LIEU/SHORT SALE:** 4 years with established credit seasoned from the discharge or dismissal date to the closing (note) date. Less than 4 years but no less than 2 years with documented extenuating circumstances and the borrower has reestablished credit.

FHA

- **BANKRUPTCY/CH. 7 OR 11:** 2 years with established credit seasoned from the discharge or dismissal date to case number assignment date. Less than 2 years but no less than 12 months from discharge may be acceptable if the bankruptcy was caused by documented extenuating circumstances and the borrower has since exhibited an ability to manage their financial responsibilities. The loan must be manually underwritten if less than 2 years have lapsed.
- **BANKRUPTCY/CH. 13:** In progress, 12 months history of current payments and letter from bankruptcy judge authorizing a home purchase prior to case number assignment. The loan must be manually underwritten if less than 2 years have lapsed.
- **FORECLOSURE/DEED-IN-LIEU:** 3 years from transfer of title to the foreclosing entity/designee to the date of case number assignment date. Less than 3-years can be reviewed if the foreclosure was the result of documented extenuating circumstances that were beyond the control of the Borrower, such as a serious illness or death of a wage earner, and the Borrower has reestablished good credit since the foreclosure. The loan must be manually underwritten if less than 3 years have lapsed.
- **SHORT SALE:** 3 years from transfer of title date to case number assignment date. Less than 3 years can be reviewed if all mortgage payments were made within the month due for the 12-month period preceding the short sale, and installment debts were made on time for the 12 months preceding the short sale. The loan must be manually underwritten if less than 3 years have lapsed.
- **BANKRUPTCY/FORECLOSURE/DEED-IN-LIEU/SHORT SALE:** Case numbers and appraisals cannot be dated prior to the seasoning being met. A contract can be dated prior to the seasoning being met.

- **BANKRUPTCY/CH. 7 OR 11:** 2 years with established credit seasoned from the discharge or dismissal date to the closing (note) date. Less than 2 years but no less than 12 months from discharge may be acceptable if:
 - The borrower has obtained consumer credit subsequent to the bankruptcy and has satisfactorily made payments over the continued period, and
 - The bankruptcy was caused by circumstances beyond the control of the borrower or spouse such as unemployment, prolonged strikes, medical bills not covered by insurance.
- OR
- If the bankruptcy was caused by failure of the Self-Employed borrower's business, all four of the following must be met.
 - The borrower obtained a permanent position after the business failed
 - There is not any derogatory credit information prior to the self-employment
 - There is not any derogatory credit information subsequent to the bankruptcy
 - Failure of the business was not due to the borrower's misconduct
- **BANKRUPTCY/CH. 13:** In progress, 12 months history of current payments and letter from bankruptcy judge authorizing a home purchase. If the borrower has finished making all payments satisfactorily then the borrower has documented to have reestablished satisfactory credit.
- **FORECLOSURE/DEED-IN-LIEU/SHORT SALE:** 2 years from transfer of title to the foreclosing entity/designee to the closing (note) date. Less than 2-years but no less than 1 year can be reviewed if:
 - The borrower has obtained consumer credit subsequent to the bankruptcy and has satisfactorily made payments over the continued period, and
 - The bankruptcy was caused by circumstances beyond the control of the borrower or spouse such as unemployment, prolonged strikes, medical bills not covered by insurance.
 - Deed-in-Lieu/Short Sale: For a deed in lieu or short sale, develop complete information on the facts and circumstances in which the borrowers voluntarily surrendered the property. If the borrower's payment history on the property was not affected before the short sale or deed in lieu and was voluntarily communicating with the servicer or holder, then a waiting period from the date transfer of the property may not be necessary.

RURAL HOUSING (USDA)

- **BANKRUPTCY/CH. 7:** 3 years with established credit seasoned from the discharge to the loan application date. Less than 3 years is considered significant derogatory. GUS may render an accept underwriting recommendation for less than 3 years and no credit exception will be required. If GUS renders a refer recommendation but the borrower is determined to be creditworthy, then a credit exception will be required. For a bankruptcy that has been dismissed, or not completed, evaluation would be required to determine if the overall credit profile would warrant a credit exception.
- **BANKRUPTCY/CH. 11, 12, OR 13:** In progress, verify that 12 months of debt restructure plan have elapsed, the borrower must have made all payments on time, and obtain a letter from bankruptcy judge authorizing a home purchase. For a bankruptcy that has been dismissed, or not completed, evaluation would be required to determine if the overall credit profile would warrant a credit exception.
- **FORECLOSURE/DEED-IN-LIEU/SHORT SALE:** 3 years from transfer of title to the foreclosing entity/designee to the loan application date. GUS may render an accept underwriting recommendation for less than 3 years and no credit exception will be required. If GUS renders a refer recommendation but the borrower is determined to be creditworthy, then a credit exception will be required.



GREG RIORDAN

Mortgage Advisor | NMLS# 832841

C: 928.201.1151 | O: 928.427.5156

squatch@legacymutual.com

325 W Gurley St #102, Prescott, AZ 86301



LEGACY
mutual mortgage