

RE-ESTABLISHMENT OF CREDIT

In today's economy, a lot of families may feel that they will never have the credit to qualify for a mortgage after foreclosure, short sale, bankruptcy, or other adverse credit occurrence. But time heals all wounds. This grid shows the time needed to rebuild your mortgage credit.

| PROPOSED NEW LOAN TYPE | FORECLOSURE | PRE-FORECLOSURE/ SHORT SALE/ DEED-IN-LIEU | CHAPTER 7 BANKRUPTCY | CHAPTER 13 BANKRUPTCY |
|---------------------------|---|--|---|--|
| Freddie Mac | <ul style="list-style-type: none"> 7 years from date of completion | <ul style="list-style-type: none"> 4 years from date of completion up to maximum 90% LTV purchase and rate/term refinance of primary residence only 7 years from date of completion for all loan types | <ul style="list-style-type: none"> 4 years from date of dismissal or discharge* | <ul style="list-style-type: none"> 2 years from date of discharge* 4 years from date of dismissal* |
| Fannie Mae | <ul style="list-style-type: none"> 7 years from date of completion | <ul style="list-style-type: none"> 4 years from date of completion | <ul style="list-style-type: none"> 4 years from date of dismissal or discharge* | <ul style="list-style-type: none"> 2 years from date of discharge* 4 years from date of dismissal* |
| FHA | <ul style="list-style-type: none"> 3 years from date of completion Waiting period reduced to 1 year if borrower qualifies for the <i>FHA Back to Work program</i> | <ul style="list-style-type: none"> 3 years from date of completion* FHA financing may be obtained in less than 3 years of short sale under certain circumstances | <ul style="list-style-type: none"> 2 years from date of dismissal or discharge [delete footnote that was here] | <ul style="list-style-type: none"> 1 year of the payout must elapse and payment performance must be satisfactory; buyer may enter into a mortgage only with permission from court |
| VA | <ul style="list-style-type: none"> 2 years from date of completion | <ul style="list-style-type: none"> 2 years from date of completion VA financing may be obtained in less than 2 years of short sale under certain circumstances | <ul style="list-style-type: none"> 2 years from date of dismissal or discharge | <ul style="list-style-type: none"> 1 year of the payout must elapse and payment performance must be satisfactory; buyer may enter into a mortgage only with permission from court |
| USDA Rural Housing | <ul style="list-style-type: none"> 3 years from date of completion | <ul style="list-style-type: none"> 3 years from date of completion | <ul style="list-style-type: none"> 3 years from date of dismissal or discharge | <ul style="list-style-type: none"> 1 year of the payout must elapse and payment performance must be satisfactory; buyer may enter into a mortgage only with permission from court |

*Multiple bankruptcy filings within 7 years: 5 years seasoning from the most recent discharge or dismissal date.

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