

How long after bankruptcy or foreclosure must you wait to get a mortgage?

Experiencing a severe credit event like a foreclosure, short-sale, deed-in-lieu of foreclosure or bankruptcy does not mean you will never be eligible to get a home loan. This chart provides the time out periods currently required.

| Loan Type | Adverse Credit Event | | | |
|--|---|---|---|---|
| | Foreclosure | Short Sale / Deed- In-Lieu of Foreclosure | Chapter 7 Bankruptcy | Chapter 13 Bankruptcy |
| Conventional Date of loan application | <ul style="list-style-type: none"> • 7 years from transfer of deed • 3 years from transfer of deed if the borrower puts 10% down | <ul style="list-style-type: none"> • 7 years if borrower puts less than 10% down • 4 years if borrower puts 10% down • 2 years if borrower puts 20% down • 2 years if borrower puts 10% down* | <ul style="list-style-type: none"> • 4 years from Discharge • Less than 4 years from Discharge with extenuating circumstances* | <ul style="list-style-type: none"> • 2 years from Discharge with reestablished credit and no new bad credit • 4 years from Discharge with new good credit and no new bad credit |
| FHA Date of credit approval | <ul style="list-style-type: none"> • 3 years from transfer of deed to loan servicer • Less than 2 years but not less than 12 months from deed transfer* | <ul style="list-style-type: none"> • 3 years from transfer of deed to loan servicer* • Wait period is not required if debtor is current and must take a job in a different market | <ul style="list-style-type: none"> • 2 years from Discharge with reestablished credit • Less than 2 years but not less than 12 months from Discharge* | <ul style="list-style-type: none"> • 12 months payments to Chapter 13 Trustee with no 30 day late payments • 12 months payments to mortgage company with no late payments for purchase or refinance |
| VA Date of credit approval | <ul style="list-style-type: none"> • 2 years from transfer of deed to loan servicer • Between 12-23 months from deed transfer* | <ul style="list-style-type: none"> • 2 years from transfer of deed to loan servicer* • Wait period is not required if debtor is current and must take a job in a different market | <ul style="list-style-type: none"> • 2 years from Discharge with new good • Between 12-23 months from Discharge* | <ul style="list-style-type: none"> • 12 months payments to Chapter 13 Trustee with no 30 day late payments • 12 months payments to mortgage company with no late payment for purchase or refinance |
| USDA Date of credit approval | <ul style="list-style-type: none"> • 3 years from transfer of deed to loan servicer • Less than 3 years* | <ul style="list-style-type: none"> • 3 years from transfer of deed to loan servicer* • Wait period is not required if debtor is current and must take a job in a different market* | <ul style="list-style-type: none"> • 3 years from Discharge with reestablished credit • Less than 3 years from Discharge* | <ul style="list-style-type: none"> • 12 months payments to Chapter 13 Trustee with no 30 day late payments • 12 months payments to mortgage company with no late pays for purchase or refinance |
| Reverse Date of underwriting | N/A providing the foreclosed property is not the primary residence* | N/A providing the distressed property is not the primary residence* | Possible to use to avoid bankruptcy and/or settle adversarial claim | <ul style="list-style-type: none"> • Date of Dismissal -or- • Court Approval |
| What events may qualify as extenuating circumstances? | | *Extenuating circumstances are temporary events that are beyond a borrower's control, such as job loss, medical bills or death of wage earner. Divorce and the inability to sell the house do not qualify. These events must be documented and verified, subject to review by underwriting. | | |