



## *How Long Does A Buyer Need To Wait After A Bankruptcy, Foreclosure or Short Sale Before Obtaining Financing?*

**This is a frequent question these days. Below is a summary of the waiting period to obtain financing post Bankruptcy, Foreclosure or Short Sale.**

### CONVENTIONAL

<b>Ch. 7 BK:</b>	4 Yrs. from discharge date
<b>Ch. 13 BK:</b>	2 Yrs. from discharge date (or 4 years from dismissal date)
<b>Foreclosure:</b>	5 Yrs. from completion or trustee sale
<b>Deed-In-Lieu, Short Sale:</b>	2 Yrs. from completion date with 80% max LTV, 4 Yrs. from completion date if 90% LTV

### FHA

<b>Ch. 7 BK:</b>	2 Yrs. from discharge date
<b>Ch. 13 BK:</b>	1 Yr. of the payout must elapse and payment performance must be satisfactory (buyer must have permission of court to enter into a new mortgage).
<b>Foreclosure or Deed-In-Lieu:</b>	3 Yrs. from completion date
<b>Short Sale:</b>	No time restriction if borrower was current at the time of short sale and all mortgage and installment payments were made within month due for the previous 12 month period prior to application date. <b>IMPORTANT</b> – the proceeds from the short sale must serve as payment in full. 3 years from completion date if in default or Promissory Note not showing paid in full.

### VA

<b>Ch. 7 BK:</b>	2 Yrs. from discharge date
<b>Ch. 13 BK:</b>	1 Yr of the payout must elapse and payment performance must be satisfactory (buyer must have permission of court)
<b>Foreclosure:</b>	2 Yrs. from completion date
<b>Short Sale:</b>	No information given, assume foreclosure rule of 2 Yrs. from completion date

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*\* All mortgage loans are subject to additional credit parameters and automated Underwriting approval is required.*

