

# THE FACTS

## BANKRUPTCY, FORECLOSURE, SHORT SALE, & LOAN MODIFICATIONS

*"The facts about how long buyers must wait before obtaining financing."*

### USDA Rural

Chapter 7 Bankruptcy	3 years from discharge or dismissal date
Chapter 13 Bankruptcy	1 year of the payout must have elapsed & payments must be made on time. Borrower must receive permission from the courts to enter into a mortgage.
Foreclosure	3 years from completion date.
Deed-in-lieu of Foreclosure	3 years from completion date.
Short Sale, or Modification	3 years from completion date.
Consumer Credit Counseling	1 year of the payout must have elapsed & payments must be made on time. Borrower must receive permission from the courts to enter into a mortgage.

### VA

Chapter 7 Bankruptcy	2 years from discharge or dismissal date
Chapter 13 Bankruptcy	1 year of the payout must have elapsed & payments must be made on time. Borrower must receive permission from the courts to enter into a mortgage.
Foreclosure	2 years from completion date.
Deed-in-lieu of Foreclosure	2 years from completion date.
Short Sale, or Modification	2 years from completion date.
Consumer Credit Counseling	1 year of the payout must have elapsed & payments must be made on time. Borrower must receive permission from the courts to enter into a mortgage.

**All Loan Types** - If a mortgage has gone through a loan modification or the lien holder has offered a short payoff, the mortgage loan is not eligible for a refinance.

**Jumbo Loans** - For Jumbo Loans, follow investor specific guidelines.  
01/20/11  
Credit Policy Dept.

