

BANKRUPTCY, FORECLOSURE, AND SHORT SALE WAIT PERIOD CHEAT SHEET

For complete Agency guidance - Refer to: [Credit History - Bankruptcy/Foreclosure/Short Sale](#) topic

Quick Access to Topics:

[Chapter 7](#)

[Chapter 11](#)

[Chapter 13](#)

[Foreclosure](#)

[Mortgage Charge Off](#)

[Short Sale](#)

Topic		Fannie Mae ¹	Freddie Mac ¹	FHA	HUD 184	USDA	VA
Bankruptcy Chapter 7	Wait Period	<u>DU and Manual</u> 4 years	<u>LPA Accept / Eligible</u> No wait period <u>Manual</u> 48 months	<u>AUS and Manual</u> 2 years	<u>Manual</u> 2 years	<u>GUS Accept</u> No wait period <u>Refer, Refer with Caution or Manual</u> 36 months	<u>AUS and Manual</u> 2 years
	Extenuating Circumstances	2 years – Dismissal	<u>LPA Accept / Eligible</u> No wait period <u>Manual</u> 24 months	< 2 years but not less than 1 year		<u>Refer, Refer with Caution and Manual</u> < 36 months from discharge require a credit exception	1-year: Additional Conditions Apply
	Multiple Filings in the past 7 years	5 years <u>Extenuating Circumstances</u> 3 years	<u>LPA Accept / Eligible</u> No wait period <u>Manual</u> 60 months	No Additional Wait Period			
	Calculated From	Discharge or Dismissal date to new loan disbursement date	Discharge or Dismissal date to new loan application date	Discharge date to case assignment date Dismissal considered in overall credit review <input type="checkbox"/> -CBDI	Discharge or Dismissal date to new loan application date		Discharge to new loan disbursement date
Bankruptcy Chapter 11	Wait Period	Apply Chapter 7 Guidance	Apply Chapter 7 Guidance	Apply Chapter 7 Guidance <input type="checkbox"/> -IPDP		Apply Chapter 13 Guidance	Apply Chapter 7 Guidance <input type="checkbox"/> -IPDP

BANKRUPTCY, FORECLOSURE, AND SHORT SALE WAIT PERIOD CHEAT SHEET

Topic		Fannie Mae ¹	Freddie Mac ¹	FHA	HUD 184	USDA	VA	
Bankruptcy Chapter 13	Wait Period	<p><u>DU and Manual</u> 2 years – Discharge 4 years – Dismissal</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p><u>LPA Accept / Eligible</u> No wait period</p> <p><u>Manual</u> 24 months - Discharge 48 months – Dismissal</p> <p>Apply same guidance to Chapter 12 Bankruptcy</p>	<p style="text-align: center;"><u>Completed Plan</u> No wait period >12 months since discharge/dissmissal < 12 months - Document satisfactory payout</p> <p style="text-align: center;"><u>Plan in Progress</u> 12 months of satisfactory payout w/ court approval</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p style="text-align: center;"><u>Manual Downgrade</u> Required if borrower currently in repayment, or discharge < 24 months</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p style="text-align: center;"><u>Manual Downgrade</u> Not Applicable</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p style="text-align: center;"><u>GUS Accept</u> No Wait Period</p> <p style="text-align: center;"><u>Refer, Refer with Caution, and Manual</u> No Documents required for plans completed 12 months prior to new loan application date</p> <p>Apply same guidance to Chapter 12 Bankruptcy</p>	<p style="text-align: center;"><u>Completed Plan</u> No wait period >12 months since discharge/ dismissal < 12 months - Document satisfactory payout \square-IPDP</p> <p style="text-align: center;"><u>Plan in Progress</u> 12 months of satisfactory payout w/ court approval</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>
	Extenuating Circumstances	<p>2 years – Dismissal</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p><u>LPA Accept / Eligible</u> No wait period</p> <p><u>Manual</u> 24 months</p> <p>Apply same guidance to Chapter 12 Bankruptcy</p>	No Additional Wait Period		<p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p>Apply same guidance to Chapter 12 Bankruptcy</p>	<p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>
	Multiple Filings in the past 7 years	<p>5 years</p> <p><u>Extenuating Circumstances</u> 3 years</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p><u>LPA Accept / Eligible</u> No wait period</p> <p><u>Manual</u> 60 months</p> <p>Apply same guidance to Chapter 12 Bankruptcy</p>	No Additional Wait Period		<p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p>Apply same guidance to Chapter 12 Bankruptcy</p>	<p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>
	Calculated From	<p>Discharge or Dismissal date to new loan disbursement date. Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p>Discharge or Dismissal date to new loan application date.</p> <p>Apply same guidance to Chapter 12 Bankruptcy</p>	<p>12 months of satisfactory payout has elapsed by case number assignment date. Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	<p>12 months of satisfactory payout has elapsed by new loan application date</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>		<p>12 months of satisfactory payout has elapsed by new loan closing date</p> <p>Apply same guidance to Chapter 12 Bankruptcy \square-IPDP</p>	

BANKRUPTCY, FORECLOSURE, AND SHORT SALE WAIT PERIOD CHEAT SHEET

Topic		Fannie Mae ¹	Freddie Mac ¹	FHA	HUD184	USDA	VA
Foreclosure	Wait Period	<u>DU and Manual</u> 7 years	<u>LPA Accept / Eligible</u> No wait period <u>Manual</u> 84 months	<u>AUS and Manual</u> 3 years	3 years	<u>GUS Accept</u> No Wait Period <u>Refer, Refer with Caution and Manual</u> 36 months	<u>AUS and Manual</u> 2 years
	Extenuating Circumstances	3 years	<u>LPA Accept / Eligible</u> No wait period <u>Manual</u> 36 months	1 year	Not Allowed		1-2 year(s): Additional Conditions Apply
	Foreclosure Discharged Through Bankruptcy	May follow Chapter 7 wait period subject to proof Mortgage was discharged in Bankruptcy	<u>Manual</u> May follow applicable Chapter 7 wait period subject to: Proof Mortgage was discharged in BK, and Foreclosure did not begin before BK filing, and Mortgage was not reaffirmed	Treated as two separate transactions. Dates are applied separately for each.	No additional wait period	Verify borrower no longer in ownership, OR include real estate taxes, insurance, HOA fees, etc. in DTI	Use the most recent date of either the discharge of bankruptcy or transfer of title to establish beginning date of re-established credit
	Calculated From	Date title transferred to new loan disbursement date	Completion date on Credit Report to new loan application date	Date of transfer of title to new case number assignment date	Date insurance claim paid to lender to new loan application date	Date discharged, or repossession reported, to new loan application date	Date title transferred to new loan closing date
	Timeshares	A timeshare account should be treated as an installment debt regardless of how it is reported on the credit report or other documentation (that is, even if reported as a mortgage loan).	Reported as a foreclosed mortgage IS subject to foreclosure wait period. Reported as a defaulted installment debt is not subject to foreclosure wait period. ≠-CBDI	Can be considered installment debt and not subject to foreclosure wait period ≠-CBDI	Can be considered installment debt and not subject to foreclosure wait period ≠-IPDP	Considers the loss of a timeshare adverse credit of a long-term obligation and not a foreclosure.	If credit report reflects it as a mortgage and reflects as foreclosed, it would need to meet the foreclosure requirements. If it reflects as an installment debt it would be treated as a repossession. ≠-CBDI
	Deed – In – Lieu of Foreclosure	Apply Short Sale Guidance			Subject to Foreclosure Wait Period		

BANKRUPTCY, FORECLOSURE, AND SHORT SALE WAIT PERIOD CHEAT SHEET

Topic		Fannie Mae ¹	Freddie Mac ¹	FHA	HUD 184	USDA	VA
Mortgage Account Charge Off	Wait Period	Apply Short Sale Guidance	No wait period with an AUS approval. Apply short sale guidance for manually underwritten loans. ⌘-CBDI	No Wait Period - Considered in overall Credit Review			
	Short Sale Always verify whether short sale served as payment in full. If agreement to repay exists, must document satisfactory repayment history.	Wait Period	DU and Manual 4 years	LPA Accept / Eligible No wait period Manual 48 months	AUS and Manual 3 years Exception to wait period: All mortgage payments on prior mortgage as well as all installment payments were made in the 12 months preceding Short Sale	3 years If Short Sale was for a HUD 184 mortgage, borrower INELIGIBLE for new HUD 184 mortgage	GUS Accept No wait period Refer, Refer with Caution and Manual 36 months
	Extenuating Circumstances	2 years	LPA Accept / Eligible No wait period Manual 24 months	Down to 1 year with documents proving good credit re-established	Not Allowed		Not Applicable
	Calculated From	Date of Charge-Off/Deed in-Lieu/Short Sale completion date to new loan disbursement date	Date of Charge-Off/Deed in-Lieu/Short Sale completion date to new loan application date	Date of transfer of title to new case number assignment date	Date of Short Sale completion to new loan application date		Date of Short Sale completion to new loan closing date

¹ For LTV's Greater than 80% Mortgage Insurance requirements may be more restrictive.