

Loan Type	Waiting Period Measured By	Derogatory Credit Events - Conventional Loans				
		Foreclosure	Short Sale Deed in Lieu of Foreclosure	Chapter 7 Bankruptcy	Chapter 13 Bankruptcy	Loan Modification
Fannie Mae DU Standard and High Balance	Date of Credit Report*	Standard Waiting Period: <ul style="list-style-type: none"> 7 years from completion If Mortgage Included in Bankruptcy: <ul style="list-style-type: none"> Follow bankruptcy seasoning requirements. No LTV/CLTV/HCLTV restrictions since bankruptcy waiting periods are being applied. 	Standard Waiting Period: <ul style="list-style-type: none"> 4 years If Mortgage Included in Bankruptcy: <ul style="list-style-type: none"> Follow bankruptcy seasoning requirements. 	Standard Waiting Period: <ul style="list-style-type: none"> 4 years from dismissal date. 4 years from discharge date. Standard Waiting Period for Borrowers with Multiple Bankruptcy Filings in the Last 7 Years: <ul style="list-style-type: none"> 5 years from most recent dismissal date. 5 years from most recent discharge date. 	Standard Waiting Period: <ul style="list-style-type: none"> 4 years from dismissal date OR 2 years from discharge date. Standard Waiting Period for Borrowers with Multiple Bankruptcy Filings in the Last 7 Years: <ul style="list-style-type: none"> 5 years from most recent dismissal date. 5 years from most recent discharge date. 	No waiting period.
		Extenuating Circumstances Waiting Period: Requires a manual underwrite, which is ineligible	Extenuating Circumstances Waiting Period: Requires a manual underwrite, which is ineligible	Extenuating Circumstances Waiting Period: Requires a manual underwrite, which is ineligible	Extenuating Circumstances Waiting Period: Requires a manual underwrite, which is ineligible	No waiting period.
FHLMC LPA Standard and Super Conforming	Date of Credit Report	Follow LPA findings.	Follow LPA findings.	Follow LPA findings.	Follow LPA findings.	No waiting period.
<p>* For Conventional DU loans, the waiting period commences on the completion, discharge, or dismissal date (as applicable) of the derogatory credit event and ends on the disbursement date of the new loan. Because DU does not have the disbursement date of the subject loan, DU uses the date of the credit report to measure whether or not the applicable waiting period has been met. However, because the credit report date may not result in an accurate calculation of the waiting period (it is earlier than the disbursement date), the lender may use the disbursement date to confirm that the waiting period has been met.</p>						
How do the GSEs define Extenuating Circumstances? NOTE: Documentation and an LOE from the borrower are required and <u>MUST</u> be approved by the underwriter		<p>FNMA (B3-5.3-08): Nonrecurring events that are beyond the borrower’s control that result in a sudden, significant, and prolonged reduction in income or a catastrophic increase in financial obligations. These events must be verified and documented, and they are subject to review by the underwriting team. Examples of documentation that can be used to support extenuating circumstances include documents that confirm the event (such as a copy of a divorce decree, medical reports or bills, notice of job layoff, job severance papers, etc.) and documents that illustrate factors that contributed to the borrower’s inability to resolve the problems that resulted from the event (such as a copy of insurance papers or claim settlements, property listing agreements, lease agreements, tax returns (covering the periods prior to, during, and after a loss of employment), etc.). The lender must obtain a letter from the borrower explaining the relevance of the documentation. The letter must, support the claims of extenuating circumstances, confirm the nature of the event that led to the bankruptcy or foreclosure-related action, and illustrate the borrower had no reasonable options other than to default on their financial obligations.</p> <p>FHLMC (5201.1): Extenuating Circumstances do not apply for LPA loans with Accept LPA Findings. Loan Product Advisor has evaluated the Borrower’s credit reputation, and determined that the credit reputation is acceptable.</p>				

Loan Type	Waiting Period Measured By	Derogatory Credit Events - Government Loan Programs				
		Foreclosure	Short Sale Deed in Lieu of Foreclosure	Chapter 7 Bankruptcy	Chapter 13 Bankruptcy	Loan Modification
FHA Standard and High Balance	Case Number Date	(TOTAL) Scorecard ▪ 3 years from case number assignment. Manual Underwrite ▪ If a transfer of title was within 3 years of case number assignment, a manual downgrade to refer and a manual underwrite is required. ▪ An exception to the three-year requirement is permitted if the foreclosure was the result of documented extenuating circumstances that were beyond the control of the borrower, such as a serious illness or death of a wage earner, and the borrower has re-established good credit since the foreclosure.	(TOTAL) Scorecard ▪ 3 years from the date of the event to case number assignment date. Manual Underwrite ▪ If the Short Sale/DIL occurred within 3 years of the case number assignment date, a manual downgrade to refer and a manual underwrite is required. Exception for Borrower Current at the Time of Short Sale (Manual UW) A Borrower is considered eligible for a new FHA-insured mortgage IF , from the date of case number assignment for the new mortgage: ▪ all mortgage payments on the prior mortgage were made within the month due for the 12-month period preceding the Short Sale; AND ▪ installment debt payments for the same time period were also made within the month due. <i>Note: The 3 year period begins on the date of transfer of title by Short Sale/DIL.</i>	(TOTAL) Scorecard ▪ 2 years from the discharge date to case number assignment date with AUS approval. Manual Underwrite ▪ If, at the time of case number assignment, at least two years have elapsed since the date of the bankruptcy discharge, the borrower must have: • re-established good credit; OR • chosen not to incur new credit obligations. ▪ An elapsed period of less than two years, but not less than 12 months, may be acceptable IF the borrower: • can show that the bankruptcy was caused by extenuating circumstances beyond the borrower's control; AND • has since exhibited a documented ability to manage their financial affairs in a responsible manner.	(TOTAL) Scorecard ▪ 2 years from the discharge date to case number assignment date with AUS approval. Manual Underwrite (Discharged) ▪ If the bankruptcy was discharged within 2 years from the date of the case number assignment, a manual downgrade to refer and a manual underwrite is required. Manual Underwrite (in Repayment) ▪ At the time of case number assignment, at least 12 months of the pay-out period under the bankruptcy must have elapsed; AND ▪ the borrower's payment performance must have been satisfactory; AND ▪ all required payments have been made on time; AND ▪ the borrower has received written permission from the bankruptcy court to enter into the mortgage transaction.	For Purchases, No Cash Out Refinances, and Cash Out Refinances A mortgage that has been modified must utilize the payment history in accordance with the modification agreement for the time period of modification in determining late housing payments.
	VA Standard and High Balance (excluding IRRRLS)	Date of Application	Standard Waiting Period: ▪ 2 years from completion date or discharge date	Standard Waiting Period: ▪ 2 years from completion date or discharge date	Standard Waiting Period: ▪ 2 years from completion date or discharge date	Standard Waiting Period: ▪ 2 years from completion date or discharge date
USDA	Date of Credit Approval	Standard Waiting Period: ▪ 3 years from discharge date	Standard Waiting Period: ▪ 3 years from discharge date	Standard Waiting Period: ▪ 3 years from date bankruptcy was discharged	Standard Waiting Period: ▪ 1 year from date of repayment was completed and bankruptcy was discharged	A mortgage that has been modified must utilize the payment history in accordance with the modification agreement for the time period of modification in determining late housing payments.
		Extenuating Circumstances Waiting Period: ▪ Less than 3 years from discharge date*	Extenuating Circumstances Waiting Period: ▪ Less than 3 years from discharge date*	Extenuating Circumstances Waiting Period: ▪ less than 3 years from discharge date*	Extenuating Circumstances Waiting Period: ▪ Less than 1 year from discharge date*	A mortgage that has been modified must utilize the payment history in accordance with the modification agreement for the time period of modification in determining late housing payments.
How do the Agencies Define Extenuating Circumstances? NOTE: Documentation and an LOE from the borrower are required and <u>MUST</u> be approved by the underwriter			* HUD/FHA: Extenuating circumstances are events that were beyond the control of the borrower, such as a serious illness or death of a wage earner, and the borrower has re-established good credit since the foreclosure. Divorce is not considered an extenuating circumstance. An exception may, however, be granted where a borrower's loan was current at the time of his/her divorce, the ex-spouse received the property, and the loan was later foreclosed. NOTE: The loss of a job and the inability to sell the property due to a job transfer or relocation to another area does not qualify as an extenuating circumstance.			



Loan Type	Waiting Period Measured By	Derogatory Credit Events - Jumbo Loan Programs				
		Foreclosure	Short Sale Deed in Lieu of Foreclosure	Chapter 7 Bankruptcy	Chapter 13 Bankruptcy	Loan Modification
Jumbo Select QM	Date of Credit Report	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not allowed, unless the modification is unrelated to hardship and there is no debt forgiveness as evidenced by supporting documentation.
		Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	
Jumbo Select 90 QM	Date of Credit Report	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not allowed unless the modification is unrelated to hardship and there is no debt forgiveness as evidenced by supporting documentation.
		Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	Extenuating Circumstances Waiting Period: Not considered	