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MAJOR DEROGATORY WAITING PERIODS

The presence of significant derogatory credit events dramatically increases the likelihood of future default. Learn more about the waiting period required after a significant derogatory credit event before the borrower is eligible for a new loan.

FHA

Bankruptcy	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • Chapter 7 and 11- 2 years from discharge date. • Chapter 13 – Document one year out of the payout period has elapsed and the payment performance has been on time. A letter from the court is also required evidencing the borrower can enter into a new mortgage. • Multiple bankruptcy within 4 years – DU underwriters discretion
Foreclosure	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • 3 years form completion
Deed in Lieu of Foreclosure, Short Sale	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • 3 years from completion date or settlement (Note – borrower is not eligible for a new FHA-insured mortgage if he/she pursued a short sale agreement on his/her principal residence simply to: 1) take advantage of declining market conditions and 2) purchase a similar / superior property within a reasonable commuting distance at a reduced price as a compared to current market value.

FHA High Balance

Bankruptcy	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • Chapter 7 and 11-2 years from discharge date. • Chapter 13 – Document one year out of the payout period has elapsed and the payment performance has been on time. A letter from the court is also required evidencing the borrower can enter into a new mortgage • Multiple bankruptcy within 4 years – DU underwriters discretion. • Bankruptcies: 7 years for High Balance Cash-out Refinance transactions.
Foreclosure	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • 3 years from completion, or • 7 years for High Balance Cash-out Refinance transaction
Deed in Lieu of Foreclosure, Short Sale	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. (Unless the file falls under the Back to Work program) • 3 years from completion date or settlement (Note – borrower is not eligible for a new FHA-insured mortgage if he / she pursued a short sale agreement on his/her principal residence simply to: 1) take advantage of declining market conditions and 2) purchase a similar / superior property within a reasonable commuting distance at a reduced price as a compared to current market value.

Conforming Classic

Bankruptcy	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • Chapter 7 and 11 – 4 years from discharge date. • Chapter 13 – 2 years from discharge date (A borrower who was unable to complete the Chapter 13 and received a dismissal date will have a 4 year waiting period). • Multiple bankruptcy within 7 years – 5 years from most recent discharge or dismissal date.
Foreclosure	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • 7 years from completion
Deed in Lieu of Foreclosure, Short Sale	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • 2 years from completion date or settlement (Note: If you loan is subject to Mortgage Insurance, please see MI guideline section for additional requirements.)

Classic High Balance

Bankruptcy	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible • Chapter 7 and 11 – 4 years discharge date. • Chapter 13 – 2 years from discharge date (A borrower who was unable to complete the Chapter 13 and received a dismissal date will have a 4 year waiting period) • Multiple bankruptcy within 7 years – 5 years from most recent discharge or dismissal date
Foreclosure	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • 7 years from completion
Deed in Lieu of Foreclosure, Short Sale	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • 2 years from completion date or settlement (Note: If you loan is subject to Mortgage Insurance, please see MI guidelines section for additional requirements.

VA

Bankruptcy	<ul style="list-style-type: none"> • Extenuating circumstances are not eligible. • Chapter 7 and 11 – 2 years from discharge date (4 years from discharge for High Balance) • Chapter 13 – 1 year from discharge / dismissal date. (4 years from discharge for High Balance) Note: Borrower(s) currently in BK 13 may be eligible, with documentation showing borrower has satisfactorily made at least 12 months payments on time and receives approval from Trustee/Bankruptcy Judge to enter into a mortgage transaction may be eligible if there are no other derogs • Multiple bankruptcy within 7 years – Underwriters discretion
Foreclosure	<ul style="list-style-type: none"> • 2 years from completion (4 years from completion for High Balance) Note: Extenuating Circumstances not eligible.
Deed in Lieu of Foreclosure, Short Sale	<ul style="list-style-type: none"> • 1 years from completion date or settlement (4 years from completion or settlement for High Balance) Note: Extenuating circumstances not eligible.