



**How bankruptcy, short Sale, & foreclosure impact
your ability to qualify for a loan.**

	Conventional	FHA
Chapter 7 Bankruptcy	At least 4 years from discharge or dismissal date, 2 years with extenuating circumstances ¹ .	At least 2 years from discharge date.
Chapter 13 Bankruptcy	at least 2 years from discharge date or 4 years from dismissal date.	Borrower can qualify with at least 1 year of verified & satisfactory made payments with court approval.
Multiple Bankruptcy Filings	5 years from the most recent dismissal/discharge date (3 years with extenuating circumstances ¹) required for borrowers with more than 1 bankruptcy filing within the past 7 years.	No set wait period established, different lenders might have different guidelines.
Foreclosure	5 years from completion date (3 years with extenuating circumstances ¹) with restriction limited to Primary Residence Purchase with a minimum of 10% down and minimum score of 680. Purchase of second home and investment property, cash out refinances are not permitted.	At least 3 years from completion date, unless extenuating circumstances ¹ can be proven.
Short Sale	2 years from completion date.	No set wait period established, different lenders might have different guidelines.



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Your loan, My solution!

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- ¹ Extenuating Circumstance is defined as a non-recurring, isolated circumstance or set of circumstances beyond the borrower's control that resulted in a sudden, significant, and prolonged reduction in income or a catastrophic increase in financial obligations. Document supporting extenuating circumstances include credit report showing medical collections, court decree or court records showing loss of income, etc.

In order to qualify for a loan, the assumptions are borrowers are able to provide explanation, documentation, and have re-established good credit, qualify financially and have good job stability on top of meeting the requirements as stated in the above table. This is only a brief overview and it's best to check with your lenders on the latest changes with regard to guidelines.

Sincerely,

Catherine Sun