



FHA Short Sale Rules

With so many short sales happening it's important for you to know when a buyer will be eligible for a new FHA loan. Here are the new guidelines issued in January 2010:

Short Sales

Borrowers with a short sale **are not** eligible for a new FHA loan:

- if the short sale was done on a principal residence just to take advantage of a declining market and they purchased a similar or superior property at a reduced price within a reasonable commuting distance OR
- for 3 years from the date of the pre-foreclosure sale or date that FHA paid the claim from the short sale (FHA loans only) if borrowers were in default at the time of the short sale.

Borrowers **are** eligible for a new FHA loan if

- the proceeds from the short sale serve as payment in full AND
- all mortgage payments were made within the month due for the 12 months preceding the short sale AND
- all installment debt for same period was paid within month due OR
- the following exception applies:
 - default due to circumstances beyond borrower's control AND
 - borrower had previous good credit history prior to default trigger event.

Questions? Just call! I'd love to be of service!

Provided to you courtesy of:

Daniel Williams
Mortgage Consultant
7676 Hazard Center Dr, Ste 500
San Diego, CA 92108

Phone: 858-688-6813
Fax: 619-839-3646
Email: dansd2001@gmail.com
Website: www.sandiegolending.us

