



Derogatory Event	FHA		VA	
	Waiting Period and/or Guideline	Waiting Period and/or Guideline <i>w/extenuating circumstances*</i>	Waiting Period and/or Guideline	Waiting Period and/or Guideline <i>w/extenuating circumstances*</i>
Bankruptcy Ch 7 or 11	2 years	1 year	2 years	1 year w/current satisfactory credit. BK due to business failure for SE borrower requires: -borrower now employed -no derogatory credit prior to SE -business failure not due to borrower misconduct
Bankruptcy Ch 13	1 year with 12 months satisfactory pymts to trustee. Must have court permission (not trustee) to incur new debt. If not fully discharged for 2 years loan must be manual UW.	Same	1 year with 12 months satisfactory pymts to trustee and trustee permission to incur new debt.	Same
CAIVR Claim	3 years from date of paid mortgage claim. Not eligible for FHA mortgage if currently delinquent or in default on any federal debt.	Possible exceptions to mortgage claim if loan was assumed, awarded to spouse in divorce with previous good pymt history OR extenuating circumstances BK.	Borrower must have pymt arrangements in place w/satisfactory pymt history. (UW discretion on duration) Preferable that debt will be pd in full within 1 year. If borrower had no previous knowledge of debt and has excellent credit history pymt arrangements may be made at time of loan processing.	Same
Collection Account	<u>Man UW</u> : Requires explanation. UW discretion if acceptable or needs to be paid off. <u>TOTAL Accept</u> : No explanation. No payoff. No proposed monthly pymt.	Same	Small isolated accounts may not have to be paid off with good credit. Underwriter discretion.	Same

Derogatory Event	FHA		VA	
	Waiting Period and/or Guideline	Waiting Period and/or Guideline <i>w/extenuating circumstances*</i>	Waiting Period and/or Guideline	Waiting Period and/or Guideline <i>w/extenuating circumstances*</i>
Consumer Credit Counseling	<u>Man UW</u> : Requires 12 months good pymt history and permission from counselor. <u>TOTAL Accept</u> : No wait. No documentation. TOTAL system must clearly recognize CCC plan in recommendation.	Same	12 months w/satis pymt history if previous derogatory credit existed. No wait with good previous credit history before entering counseling.	Same
Disputed Accounts	Must be manual UW. UW discretion on disregarding.	Same	May disregard with legal proof of bona fide dispute unless account is now a judgment. Then judgment guidelines apply.	Same
Federal Tax Liens	Must be paid.	Same	Must be paid	Same
Foreclosure / Deed-in-Lieu	3 years	UW discretion	2 years	1 year w/current satisfactory credit.
Judgments	<u>Manual UW</u> : If not owed to federal govt then satisfactory pymt history OK. (UW discretion on duration) If owed to federal govt: must be paid. <u>TOTAL Accept</u> : Must be paid.	Same	If not owed to federal govt then must be paid or have satisfactory pymt history. (UW discretion on duration) If owed to federal govt: must be paid.	Same
Short Payoff	Eligible for FHA refinance if appraisal shows insufficient equity and/or borrower experienced decrease in income. Must be current on mortgage.	Same	No guidance. UW discretion.	Same
Short Sale	<u>Borrower current at time of short sale</u> : No wait if all mtg and installment debts pd on time for 12 months preceding short sale and short sale not done to take advantage of declining market. <u>Borrower delinquent at time of short sale</u> : 3 years from date of sale. If previous mortgage was FHA, 3 years from date CAIVRS claim was paid.	Same	No guidance. Typically treated as foreclosure but is at UW discretion.	Same