

Waiting Period Matrix for Post Foreclosure, Short Sale, Bankruptcy and Loan Type

Occurrence	Fannie Mae	FHA	VA	USDA Rural	Jumbo*
Foreclosure	7 Years from completion date	3 Years from completion date	2 Years from completion date	3 Years from completion date	5-7 Years from completion date
Short Sale	2 Years with max 80% LTV ratio 4 Years with max 90% LTV ratio 7 Years – LTV per eligibility matrix	3 Years from completion date **Per FHA ML 09-52, FHA financing can be obtained in less than 3 years under certain conditions.*	No specific information on this yet, assume foreclosure rule of 2 years.	3 Years from completion date	5-7 Years from completion date
CH. 7 Bankruptcy	4 Years from discharge or dismissal date	2 Years from discharge date	2 Years from discharge date	3 Years from discharge date	4-7 Years from completion date
CH. 13 Bankruptcy	2 Years from discharge date 4 Years from dismissal date	1 Year of the payout must elapse & payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage	1 Year of the payout must elapse & payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage	3 Years from discharge date	4-7 Years from completion date

**Waiting period time frames may be less in situations with extenuating circumstance. *Jumbo waiting periods may vary by lender.

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Tips for Improving your Credit Score

The credit score or FICO ranges from 350 -850. The higher the score the lower your risk of default and the better your interest rates will be. The scoring rank is a good indicator of predicting who is a good risk and how debt is managed

What does it take to have a good score?

Usually it takes 3 – 4 trade lines with some history of payments.

What types of accounts are there?

There are two types of credit

1. installment – like a car loans where you pay a set amount each month which reduces the principal over a set period of time
2. revolving – like a credit card, here the balance will go up and down depending on how the card is used.

How can you improve your credit score?

The credit score is usually calculated on a number of factors. The two key factors in maintaining a good credit score are :-

1 pay your bills on time – late payments will have a big impact

2. keep the balances of your credit cards below 40% on your cards.

When balances on credit cards are low it means there is “wiggle” room when moments of crises hit and there is less chance the card will go into default. Paying down the balances to below 40% of the maximum allowable balance will quickly improve a credit score.

FHA LOAN LIMITS FOR ARIZONA

Here are the new FHA loan limits for Arizona effective for all case numbers assigned on or after **January 1, 2011 through September 30, 2011**.

Arizona has 15 Counties, if you county does not appear below you are considered in the low cost area and your max loan amount is \$271,050.00.

AZ FLAGSTAFF, AZ (MSA) COCONINO \$450,000

AZ PRESCOTT, AZ (MSA) YAVAPAI \$390,000

AZ PHOENIX-MESA-SCOTTSDALE, AZ (MSA) MARICOPA \$346,250

AZ PHOENIX-MESA-SCOTTSDALE, AZ (MSA) PINAL \$346,250

AZ PAYSON, AZ (MICRO) GILA \$325,000

AZ LAKE HAVASU CITY-KINGMAN, AZ (MICRO) MOHAVE \$322,500

AZ TUCSON, AZ (MSA) PIMA \$316,250

AZ NON-METRO NAVAJO \$308,750

AZ NON-METRO APACHE \$ 281,250

Benefits of FHA

- 3.5% down payment, can be gifted from family member or through down payment assistance programs
- credit score, minimum FICO required 640
- Non occupying co borrowers permitted for single family residences only
- Seller contribution 6%
- Upfront Mortgage Insurance 1%
- Monthly Mortgage insurance at 96.5% loan to value 1.15% (as of 4/18/11)
- No cash reserves required