



Waiting Periods Required For Significant Derogatory Credit Events

CONVENTIONAL

*MUST RECEIVE AN AUS APPROVE/ELIGIBLE INCLUDING THOSE WITH EXTENUATING CIRCUMSTANCES

Derogatory Item	Waiting Periods
Previous Loan Modification	Refinance: <ul style="list-style-type: none"> Fannie Mae/Freddie Mac: Permitted with previous modification (restructured mortgage to adjust the principal balance) provided the credit worthiness of the Borrower and LTV are acceptable. Purchase: <ul style="list-style-type: none"> Fannie Mae/Freddie Mac: Acceptable with both agencies, qualification based on payment history and remaining underwriting considerations.
Foreclosure	Home was given to the bank – No owner participation <ul style="list-style-type: none"> 7 years from the date foreclosure completed and transferred back to bank if they had NO extenuating circumstances 3 years from date foreclosure completed and transferred back to bank with acceptable extenuating circumstances (1) AND 10% Down Payment. Primary home purchase and rate/term refinances only. Non-owner and second homes not allowed.
Short Sale, Deed in Lieu of Foreclosure, Mortgage Debt Charge-Off Accounts (effective 8/16/14)	Short Sale: Home sold but sales price didn't cover amount owed Deed in Lieu: Home returned to lender in exchange for cancelling loan <ul style="list-style-type: none"> 4 years from date sale closed and transferred to new owner or transferred back to bank as standard 2 years from date sale closed and transferred to new owner or transferred back to bank possible with acceptable extenuating circumstances
Bankruptcy, Chapter 7	Debts are discharged through BK, client does not pay any debts owing <ul style="list-style-type: none"> 4 years from discharge date 2 years from discharge date possible with acceptable extenuating circumstances (1)
Bankruptcy, Chapter 13	Debts are paid back on a monthly scheduled payment plan by client <ul style="list-style-type: none"> 2 years from discharge date 4 years from dismissal date
Bankruptcy including a Mortgage	<ul style="list-style-type: none"> Refer to Bankruptcy Guidelines with one exception: <ul style="list-style-type: none"> Refinances (Fannie Mae Only): Borrower may refinance a property included in a bankruptcy and not reaffirmed provided the timely payment history (VOM) can be obtained to current. Freddie Mac does not permit this scenario as of 10/4/17.
Conventional Mortgage Insurance Requirements	<ul style="list-style-type: none"> THE ABOVE GUIDELINES ARE BASED ON AGENCY GUIDANCE. IN THE EVENT A LOAN REQUIRES PRIVATE MORTGAGE INSURANCE, WAITING PERIODS EXTEND FROM 4 TO 7 YEARS DEPENDING ON THE COMPANY AND MAY INCLUDE ADDITIONAL REQUIREMENTS (REESTABLISHED CREDIT GUIDELINES, RESERVES, ETC.). CHECK WITH EACH MORTGAGE INSURANCE PROVIDER PRIOR TO ORIGINATION IF THE LTV IS <80%.

FHA (DETERMINED BY DATE OF CASE NUMBER ASSIGNMENT)



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Derogatory Item	Waiting Periods
Previous Loan Modification	<p>Refinance:</p> <ul style="list-style-type: none"> • Standard modifications (interest rate modifications) acceptable with a 12 month waiting period; qualification based on payment history and remaining underwriting considerations <ul style="list-style-type: none"> ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history. ○ The modification agreement needs to be reviewed and underwritten with the file. The modification terms may supersede UHM guidelines. ○ Deferred interest (per restructure agreement) may be included in the maximum loan amount calculation for rate and term refinances provided all standard conditions and qualification parameters are met. <p>Purchase:</p> <ul style="list-style-type: none"> • Acceptable with both agencies, qualification based on payment history and remaining underwriting considerations. Please note files will be underwritten with a higher level of scrutiny. <ul style="list-style-type: none"> ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history.
Foreclosure Deed in Lieu of Foreclosure	<p>Foreclosure: Home was given back to the bank – No owner participation Deed in Lieu: Home returned to lender in exchange for cancelling loan</p> <ul style="list-style-type: none"> • 3 years from date foreclosure completed and the deed is transferred back to bank • Less than 2 years, but not less than 12 months from date foreclosure completed and the deed is transferred back to bank may be acceptable if the result of acceptable extenuating circumstances (2)
Short Sale	<p>Short Sale: Home sold but sales price didn't cover amount owed</p> <ul style="list-style-type: none"> • 3 years from date sale closed and transferred to new owner • No waiting period if borrower had no late payments on any mortgages and consumer debts within the 12 month period preceding the short sale AND they are not taking advantage of declining market conditions
Bankruptcy Chapter 7	<p>Debts are discharged through BK, client does not pay any debts owing</p> <ul style="list-style-type: none"> • 2 years from date of discharge with re-established credit paid as agreed or no new credit obligations occurred • Less than 2 years, but not less than 12 months from date of discharge may be acceptable if the bankruptcy was caused by acceptable extenuating circumstances (2) and borrower has since exhibited a documented ability to manage financial affairs in a responsible manner
Bankruptcy Chapter 13	<p>Debts are paid back on a monthly scheduled payment plan by client</p> <ul style="list-style-type: none"> • 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory, all required payments made on time with court approval
Bankruptcy including a Mortgage	<p>Assuming No Reaffirmation:</p> <ul style="list-style-type: none"> • BK, stayed in home, purchase: Permitted 3 years from the date of



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	<p>deed transfer post foreclosure.</p> <ul style="list-style-type: none"> • BK, stayed in home, refinance: Not permitted • BK, stayed in home for a portion of the time-frame, purchase: Permitted 3 years from the date of deed transfer post foreclosure. • BK, vacated home immediately after discharge: Permitted 3 years from the date of deed transfer post foreclosure. • BK, previous Government Loan: The later of 3 years from the date the CAIVRS claim is paid or 3 years from the deed transfer date. <p>Assuming Reaffirmation:</p> <ul style="list-style-type: none"> • If the home is foreclosed upon after reaffirmation, 3 years from the date of deed transfer. <p>*All remaining traditional qualification and underwriting parameters apply in all instances.</p>
IMPORTANT NOTE:	The dates listed will be based on the new FHA case number assignment, not the application or closing date.

VA (DETERMINED BY DATE OF CREDIT APPROVAL)

Derogatory Item	Waiting Periods
Previous Loan Modification	<p>Refinance:</p> <ul style="list-style-type: none"> • Not permitted with previous modification (considered restructured mortgage) to adjust the principal balance. Standard modifications (interest rate modifications) acceptable with no waiting period; qualification based on payment history and remaining underwriting considerations <ul style="list-style-type: none"> ○ VA requires a reduction of interest rate for the refinance to qualify. ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history. ○ The modification agreement needs to be reviewed and underwritten with the file. The modification terms may supersede UHM guidelines. <p>Purchase:</p> <ul style="list-style-type: none"> • Acceptable with both agencies, qualification based on payment history and remaining underwriting considerations. Please note files will be underwritten with a higher level of scrutiny. <ul style="list-style-type: none"> ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history.
Foreclosure Deed in Lieu of Foreclosure	<p>Foreclosure: Home was given back to the bank – No owner participation Deed in Lieu: Home returned to lender in exchange for cancelling loan</p> <ul style="list-style-type: none"> • 2 years from date foreclosure completed and transferred back to bank • 12-23 months from date of date of foreclosure if credit re-established and paid as agreed and was caused by acceptable extenuating circumstances (3)
Short Sale	<p>Short Sale: Home sold but sales price didn't cover amount owed</p> <ul style="list-style-type: none"> • 2 years from date sale closed and transferred to new owner



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	<ul style="list-style-type: none"> • No waiting period if borrower had no late payments on any mortgages and consumer debts within the 12 month period preceding the short sale AND they are not taking advantage of declining market conditions
Bankruptcy Chapter 7	Debts are discharged through BK, client does not pay any debts owing <ul style="list-style-type: none"> • 2 years from date of discharge • 12-23 months from date of discharge if credit re-established and paid as agreed and caused by acceptable extenuating circumstances (3)
Bankruptcy Chapter 13	Debts are paid back on a monthly scheduled payment plan by client <ul style="list-style-type: none"> • 1 year payout period under bankruptcy has elapsed and the borrower's payment performance has been satisfactory and all required payments made on time
Bankruptcy including a Mortgage	<ul style="list-style-type: none"> • 2 years from the date of discharge • BK, previous Government Loan: The later of 3 years from the date the CAIVRS claim is paid or 2 years from the discharge date. • UHM will not provide refinance financing for a Borrower who stayed in a home and did not reaffirm the mortgage.

USDA (DETERMINED BY DATE OF CREDIT APPROVAL)

Derogatory Item	Waiting Periods
Previous Loan Modification	Refinance: <ul style="list-style-type: none"> • Not permitted with previous modification (considered restructured mortgage) to adjust the principal balance. Standard modifications (interest rate modifications) acceptable with no waiting period; qualification based on payment history and remaining underwriting considerations <ul style="list-style-type: none"> ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history. ○ The modification agreement needs to be reviewed and underwritten with the file. The modification terms may supersede UHM guidelines. Purchase: <ul style="list-style-type: none"> • Acceptable with both agencies, qualification based on payment history and remaining underwriting considerations. Please note files will be underwritten with a higher level of scrutiny. <ul style="list-style-type: none"> ○ The modification must have taken place at a minimum twelve payments in advance of the refinance and reflect a satisfactory payment history.
Foreclosure Deed in Lieu of Foreclosure	Foreclosure: Home was given back to the bank – No owner participation Deed in Lieu: Home returned to lender in exchange for cancelling loan <ul style="list-style-type: none"> • 3 years from date foreclosure completed and transferred back to bank • Less than 3 years from date the foreclosure was completed and transferred back to the bank may be considered with acceptable extenuating circumstances (4)
Short Sale	Short Sale: Home sold but sales price didn't cover amount owed <ul style="list-style-type: none"> • 3 years from date sale closed and transferred to new owner No waiting period if borrower had no late payments on any mortgages and



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	consumer debts within the 12 month period preceding the short sale AND they are not taking advantage of declining market conditions
Bankruptcy Chapter 7	Debts are discharged through BK, client does not pay any debts owing <ul style="list-style-type: none"> • 3 years from date of discharge • Less than 3 years from date of discharge may be considered with acceptable extenuating circumstances (4)
Bankruptcy Chapter 13	Debts are paid back on a monthly scheduled payment plan by client <ul style="list-style-type: none"> • 1 year from the date repayment was completed and bankruptcy discharged • Less than 1 year from date of discharge may be considered with acceptable extenuating circumstances
Bankruptcy including a Mortgage	<ul style="list-style-type: none"> • 3 years from the date of discharge • BK, previous Government Loan: The later of 3 years from the date the CAIVRS claim is paid or 3 years from the discharge date. • Note: UHM will not provide refinance financing for a Borrower who stayed in a home and did not reaffirm the mortgage.

Examples of acceptable extenuating circumstances (circumstances must be verified and documented):

1. **Conventional:** Nonrecurring events that are beyond the borrower's control that result in a sudden, significant and prolonged reduction in income or a catastrophic increase in financial obligations.
2. **FHA:** Traditionally, serious illness or death of a wage earner. Divorce and the inability to sell a property due to job transfer or relocation to another area does not qualify as an extenuating circumstance. Review recent FHA "back to work, extenuating circumstances guidance."
3. **VA:** Unemployment, prolonged strikes, medical bills not covered by insurance, etc. Divorce is not viewed as beyond the control of the borrower and/or spouse.
4. **USDA:** Loss of job; delay or reduction in government benefits or other loss of income; increased expenses due to illness, death, etc. Circumstances surrounding the adverse information must have been temporary in nature, and beyond the applicant's control, and have been removed so their reoccurrence is unlikely or the adverse action or delinquency was the result of a refusal to make full payment because of defective goods or services or as a result of some other justifiable dispute relating to the good or services purchase or contracted for.