



You may be able to purchase a home after foreclosure or bankruptcy. A REALTOR® can help you get back on the path to homeownership.



How does foreclosure or bankruptcy affect credit?

- The details may stay on your credit report for 7-10 years.
- There is not a specific amount or formula to know how much it may negatively impact your credit score.
- Initially it will be difficult to get approved for credit.
- Credit repair and rebuilding credit is an important part of preparing to purchase a home again.



How can you rebuild your credit?

- Talk to your REALTOR® about reputable credit repair professionals/companies.
- Review your credit reports from the three (3) reporting bureaus for accuracy.
- Keep in mind that your credit score can be improved with time.
- Follow a monthly budget or spending plan.
- Pay your bills on time every time.
- Build your savings. Even a small amount each month will help.
- Reduce or eliminate your remaining debt.
- Maintain your employment (ideally with your current employer or in the same field).



What will lenders consider?

- Most lenders require applicants to wait a minimum of 3-7 years from the recording of the foreclosure or discharge of bankruptcy before applying for a new mortgage.
- Exceptions may be made depending on the situation.
- They will pay extra attention to how you have managed your credit since the foreclosure or bankruptcy.
- The lender will often request an explanation of what led to the foreclosure or bankruptcy to help determine the likelihood of it happening again.



What should I expect in a mortgage?

- You will likely pay a slightly higher interest rate initially.
- Keep in mind that your payment may still be less than rent, and there are many benefits of homeownership.
- There may also be downpayment assistance programs available to help you meet your objectives.

Contact a REALTOR® to start building your home buying team of professionals today!

