

# SECOND CHANCE Home Buyers' Guide

A second chance home buyer, also called a boomerang buyer, is a buyer whose prior home ownership fell into foreclosure, bankruptcy or other financial distress. There are second-chance purchase and loan programs designed to help get you through previous financial struggles.

We work hard to help you move forward, no matter what hardships you have experienced. Our focus is on today and on where you are headed, not on whatever happened in the past.

## SECOND CHANCE PROGRAM BENEFITS

Obtaining a loan is tricky with poor credit. The goal is to secure financing tailored to your needs. Our team offers honest input so that you set realistic goals when looking for your next home.

In the past, predatory loans were available across the housing market. Since its collapse, however, new regulations for consumer protection are in effect (please read our article "Major Lending Changes Starting in October") and as the market rebounds, more lenders are willing to grant new opportunities, regardless of prior financial pains.

Please review the circumstance chart on the following page!

## QUALIFY: SECOND CHANCE HOME LOAN

Every situation is different. Some waiting periods for a loan will take months, while others take years. Our goal is to connect home shoppers with lenders that hold experience in supporting a buyer's second chance.

First and foremost, it is important to understand your credit history. Several **scams trick** consumers into bogus borrowing plans or loan modifications. These scams disguise expensive adjustments to their terms as "only in case something goes wrong" but then set up unrealistic financial goals. You can read more about scams at

Our team is not here to sell false optimism. We are upfront about closing costs. We know which lenders are trustworthy, and which ones to avoid...

## SEIZING YOUR SECOND CHANCE

**Give us a call and schedule a meeting.** Once we understand your unique situation, we will establish a tailored action plan that will include:

- The establishment of a realistic budget based on your income and debt
- A desired neighborhood analysis
- An examination of appropriate lenders for your situation that can help throughout the loan approval process
- The assembly of an offer once loan approval is secured
- The development of a document with crystal-clear terms on what you owe each month, when closing the deal.

## BOOMERANG BUYERS COMING BACK IN FORCE

### Boomerang Buyer / 'boomə raNG/ 'bī(ə)r/ :

a former homeowner who has gone thru a "short sale", "foreclosure" or "bankruptcy" in the past few years and has been saving for a down payment in preparation of the expiration of the waiting period, in order to qualify once again for a mortgage.

Between 2006-2014  
**Over 7 Million**  
homeowners went through  
a short sale or foreclosure



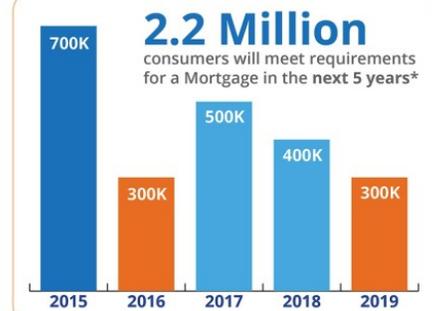
**IN 2014**  
**350,000 Homes**  
were sold to return buyers



According to The National Association of REALTORS:  
**Up to 1 Million Consumers**  
have already restored their credit

*"Many borrowers who lost their homes to foreclosure have had that blemish wiped from their credit reports, making them again eligible for FHA and other mortgages. This could provide a tailwind for the market."*

The State of Nation's Housing -  
Joint Center For Housing Studies  
at Harvard University



### Bottom Line:

Former homeowners know the sense of pride & accomplishment that comes with owning their own home. Millions are returning to the housing market every day ready to buy again. **The American Dream of Homeownership is Alive & Well!**



[www.TonyGarcia.info](http://www.TonyGarcia.info)

Sources: NAR, \*TransUnion & Harvard University

CIRCUMSTANCE	FANNIE MAE	FHA	VA	USDA
<b>FORECLOSURE</b>	<u>7 Years</u> from Trust Deed (subject to bankruptcy requirements if mortgage discharged by bankruptcy)	<u>3 Years</u> from Trust Deed	<u>2 Years</u> from Trust Deed	<u>3 Years</u> from date foreclosure was completed and transferred back to bank
<b>SHORT SALE (see note 1)</b>	<u>4 Years</u> (see note 2)	<u>3 Years</u> from Trust Deed transferring back to bank	<u>2 Years</u> from date sale closed and transferred to new owner	<u>3 Years</u> from date foreclosure is completed and transferred back to bank
<b>CHAPTER 7 OR 11 BANKRUPTCY</b>	<u>4 Years</u>	<u>2 Years</u> from date of discharge with re-established credit paid as agreed or no new credit obligations incurred	<u>2 Years</u> from date of discharge	<u>3 Years</u> from date of discharge
<b>CHAPTER 13 BANKRUPTCY</b>	<u>2 Years</u> from Discharge Date	<u>1 Year</u> (see note 3)	<u>1 Year</u> (see note 3)	<u>1 year</u> from date repayment was completed and bankruptcy discharged

(1) "Short sale" in this chart refers to Short Sale Deed-in-Lieu of Foreclosure, Preforeclosure Sale, or Charge-Off of Mortgage Account

(2) When both a bankruptcy and foreclosure are disclosed on the loan application, or when both appear on the credit report, the lender may apply the bankruptcy waiting period if the lender obtains the appropriate documentation to verify that the mortgage loan in question was discharged in the bankruptcy. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting period must be applied.

(3) Payout period under BK has elapsed and borrowers payment performance has been been satisfactory and all required payments made on time with trustee approval.