



Michael Ramini
 Sr. Mortgage Planner
 Regency Mortgage Corp.
 Phone: 207-324-9600
 Fax: 207-324-4965
 mramini@regencymtg.com
 www.regencymtg.com



Great News for Buyers with a Short Sale! New Eligibility Rules Announced From Fannie Mae!

There's great news from Fannie Mae for home buyers who have experienced a short sale or deed in lieu of foreclosure. To help the housing market's continued stability, Fannie Mae is changing the "waiting period" (i.e. the amount of time that must elapse after the preforeclosure or short sale event) before home buyers can qualify for a loan.

Several factors will impact these changes, including the required down payment or loan to value (LTV) for the transaction and whether extenuating circumstances contributed to the individual's financial hardship (e.g. a job loss). The following chart highlights the new rules:

Preforeclosure Event	Current Waiting Period Requirements	New Waiting Period Requirements (1)
Deed-in-Lieu of Foreclosure	4 years Additional requirements apply after 4 years up to 7 years	2 years – 80% maximum LTV ratios
Preforeclosure Sale	2 years	4 years – 90% maximum LTV ratios
Short Sale	No policy currently exists specific to short sales	7 years – LTV ratios per the Eligibility Matrix
Exceptions to Waiting Period for Extenuating Circumstances		
Preforeclosure Event	Current Waiting Period Requirements	New Waiting Period Requirements (1)
Deed-in-Lieu of Foreclosure	2 years Additional requirements apply after 2 years up to 7 years	2 years – 90% maximum LTV ratios
Preforeclosure Sale	No exceptions are permitted to the 2-year waiting period	
Short Sale	No policy currently exists specific to short sales	

(1) The maximum LTV ratios permitted are the lesser of the LTV ratios in this table or the maximum LTV ratios for the transaction per the [Eligibility Matrix](#).

Note that the terms 'short sale' and 'preforeclosure sale' are both referenced in Fannie Mae's announcement and have the same meaning – the sale of a property in lieu of a foreclosure, resulting in a payoff of less than the total amount owed, which was pre-approved by the servicer.

The bottom line: Buyers who have experienced a short sale or deed in lieu of foreclosure may be eligible for financing sooner than previously expected...especially if they have 20% to put down. If you have any buyer prospects who may benefit from this change, I'd be happy to help you put them in a home.

Read the full announcement from [Fannie Mae](#).

Sincerely,

Michael Ramini
 Regency Mortgage Corp.
 207-324-9600
 mramini@regencymtg.com

