

FHA Back To Work: Extenuating Circumstances Program

QUESTION AND ANSWERS

What is the FHA Back To Work - Extenuating Circumstances program?

The FHA Back To Work - Extenuating Circumstances program is the FHA's "second chance" for mortgage applicants who have experienced financial hardship as a result of unemployment or severe reduction in income.

Can I use the Back to Work as a first-time home buyer?

Yes, you can use the program as a first-time buyer.

Can I use the Back To Work program as a repeat home buyer?

Yes, you can use the program as a repeat home buyer.

Can I use the Back To Work program for an FHA 203k construction loan?

Yes, you can use the program for an FHA 203k construction loan.

Does the FHA Back To Work program waive the traditional 3-year waiting period after a foreclosure, short sale, or deed-in-lieu?

Yes, the program waives the agency's three-year waiting period. You no longer need to wait three years to apply for an FHA loan after experiencing a foreclosure, short sale or deed-in-lieu.

Does the Back To Work program waive the traditional 2-year waiting period after bankruptcy?

Yes, the program waives the agency's two-year waiting period. You no longer need to wait two years to apply for an FHA loan after experiencing a Chapter 7 or Chapter 13 bankruptcy.

Which types of "events" are covered by the FHA Back To Work - Extenuating Circumstances program?

The program can be used by anyone who's experienced a pre-foreclosure sale, short sale, deed-in-lieu, foreclosure, Chapter 7 bankruptcy, Chapter 13 bankruptcy, loan modification; or who has entered into a forbearance agreement.

How do I apply for the program?

You can apply for an FHA Back to Work - Extenuating Circumstances mortgage with any FHA-approved lender. The mortgage approval process is the same for any other FHA-insured mortgage.

CONTACT ADVANTAGE MORTGAGE GROUP TODAY AND GET THE PROCESS STARTED! 540-424-5700

What are mortgage rates for the FHA Back To Work program?

Mortgage rates are the same as mortgage rates for any other FHA loan. There is no premium on your interest rate, nor are there additional fees to pay at closing. Your mortgage rate will be unaffected by the FHA Back To Work program.

My current lender says that it's not participating in the program? What do I do?

If your current lender is not participating in the FHA Back To Work program, you can find another lender. If you don't know of another FHA-approved lender, you can **CALL US @ 540-424-5700 AND WE CAN GET THE PROCESS STARTED TODAY!**

What are the minimum eligibility requirements of the FHA Back To Work program?

In order to qualify, you must meet several minimum eligibility standards. The first is that you must have experienced an "economic event" (e.g.; pre-foreclosure sale, short sale, deed-in-lieu, foreclosure, Chapter 7 bankruptcy, Chapter 13 bankruptcy, loan modification, forbearance agreement). The second is that you must demonstrate a full recovery from the event. And, third, you must agree to complete housing counseling prior to closing. You must also show that your household income declined by 20% or more for a period of at least 6 months, which coincided with the above "economic event".

How do I document a 20% loss of household income for the FHA?

In order to document a 20% loss of household income, you must present federal tax returns or W-2s, or a written Verification of Employment evidencing prior income. For loss of income based on seasonal or part-time employment, two years of seasonal or part-time employment in the same field must be verified and documented as well. Income after the onset of the economic event, which should represent a loss of at least 20% for at least six months, should be verified according to standard FHA guidelines. This may include W-2s, pay stubs, unemployment income receipts, or other. Your lender will help you determine the best method of verification.

How do I document a "satisfactory" credit history since my "economic event" for the FHA?

Your lender will review your credit report as part of the FHA Back To Work approval process. All accounts will be reviewed -- ones which went delinquent and ones which remained current. Your lender will attempt to determine three things -- that you showed good credit history prior to the economic event; that your derogatory credit occurred after the onset of the economic event; and, that you have re-established a 12-month history of perfect payment history on major accounts. Minor delinquencies are allowed on revolving accounts.

Does the "20 percent loss of income" eligibility condition apply to me only, or to everyone in the household?

The "20 percent loss of income" eligibility condition applies to everyone in the household. If one member of the household lost income as the result of a job loss but the household income did not fall by 20 percent or more for a period of at least 12 months, the borrower will not be FHA Back To Work Extenuating Circumstances-eligible.

Is the FHA Back To Work Program limited by loan size?

No, the program is not limited by loan size. The FHA will always insure up to your area's local FHA loan limit. Your lender, however, may not. If your lender will not make a loan big enough for your needs, find another FHA-approved lender **OR CALL US TODAY @ 540-424-5700.**

With the FHA Back To Work Program, how soon until I can buy a home after foreclosure?

Via the program, you can buy a home 12 months after a foreclosure.

With the FHA Back To Work Program, how soon until I can buy a home after a short sale?

Via the program, you can buy a home 12 months after a short sale.

With the FHA Back To Work Program, how soon until I can buy a home after a deed-in-lieu of foreclosure?

Via the program, you can buy a home 12 months after a deed-in-lieu of foreclosure.

With the FHA Back To Work Program, how soon until I can buy a home after Chapter 7 bankruptcy?

Via the program, you can buy a home 12 months after filing for Chapter 13 bankruptcy.

With the FHA Back To Work Program, how soon until I can buy a home after Chapter 13 bankruptcy?

Via the program, you can buy a home 12 months after filing for Chapter 13 bankruptcy.

Is there a counseling requirement in order to use the FHA Back To Work program?

Yes, in order to use the program, you must agree to attend housing counseling.

Will my housing counselor help me shop for mortgage rates?

No, your housing counselor will not help you shop for mortgage rates. However, many counselors can help you read a Good Faith Estimate which may help you make better lending decisions.

CALL US TODAY @ 540-424-5700 FOR A FREE, NO OBLIGATION MORTGAGE RATE QUOTE.

Why do I need to take housing counseling?

The housing counseling required by the FHA Back To Work program will address the cause of your economic event, and help you consider actions which may prevent re-occurrence.

How long is the housing counseling session I am required to take?

The housing counseling required will typically last one hour.

Do I have to take housing counseling in-person?

No, you do not have to take the housing counseling in-person. Housing counseling may also be conducted by phone or via the internet.

If I complete counseling, am I automatically approved for the FHA loan?

No, you are not automatically approved for the FHA loan if you complete the housing counseling required. You must still qualify for the FHA mortgage based on Federal Housing Administration mortgage guidelines.

What is the minimum credit score requirement for the FHA Back To Work program?

There is no minimum credit score requirement for the FHA Back To Work program, necessarily. The program follows standard FHA mortgage guidelines. Credit scores below 500 are not allowed, but borrowers with no credit score whatsoever remain eligible. The Federal Housing Administration doesn't change mortgage rates based on credit score.

Are modified mortgages eligible for FHA Back To Work?

Yes, modified mortgages are eligible.

Are loans on a payment plan eligible for FHA Back To Work?

Yes, loans on a payment plan are eligible.

I lost my job because my employer went out of business? Does this qualify for the program?

Yes, job loss resulting from an employer going out of business is Back-to-Work eligible. Your lender will ask you to provide a written termination notice or publicly-available documentation of the business closure.

Can I use Unemployment Income receipts to document that I was out of work?

Yes, you can use Unemployment Income receipt to document that you were out of work.

I am unemployed. Can I still use the program?

Yes, you can use the FHA Back To Work program if you are unemployed.

I am still in Chapter 13 bankruptcy. Do I need the court's permission to enter into the mortgage?

Yes, if your Chapter 13 bankruptcy has not been discharged prior to the date of your loan application, you must have written permission from Bankruptcy Court to enter into the purchase transaction.

When does the FHA Back To Work - Extenuating Circumstances program end?

The FHA Back To Work - Extenuating Circumstances program ends September 30, 2016.

Want More FHA Back To Work - Extenuating Circumstances Information?

The FHA Back To Work - Extenuating Circumstances program is live, and ready. Millions of U.S. homeowners who experienced financial difficulty under extenuating circumstances are now eligible to purchase new homes.

Before you apply, see what kind of money you can save via today's low FHA rates. Mortgage rate quotes are free and require no obligation on your part. **Contact us TODAY 540-424-5700.**