

Yes, You Can Get a Mortgage Within Two Years After Bankruptcy

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by [Mark Martella](#)

Some of the things that most infuriate me as a bankruptcy attorney are the **myths and straight out lies** that are spread by credit card companies, collection companies, and other credit providers, when it comes to your credit and why you shouldn't file bankruptcy. In addition to telling senior citizens that they are going to lose their house for not paying a credit card, or worse, be arrested and go to jail, they also tell unsuspecting consumers that they can never get credit, a car, or a house for 10 years! These are simply lies to trick people into paying for things they can't afford and got sucked into by slick, manipulative sales pitches in the first place. In this article, I will debunk one of the myths as it relates to getting a mortgage after bankruptcy.

Recently, I had the opportunity to interview an expert when it comes to mortgage loans, [Toby Lynn of The Mortgage Firm](#) located in downtown Punta Gorda. Toby appeared on my radio show and shared some amazing information about the **truth** concerning foreclosure and bankruptcy and how quickly you can get a mortgage after one of these events.

Conventional Mortgage vs. FHA and VA

With regard to foreclosures, I asked Toby how long someone would have to wait to get a loan. In all of her answers, she distinguished between conventional mortgages and FHA & VA mortgages. Well, if you have gone through a foreclosure, it will take seven years before you may qualify for a conventional loan. However, the waiting period is only **three years for an FHA loan**, and **two years for a VA loan**. Now, all this is said with a caveat that you must have taken all appropriate actions after foreclosure to improve your credit with such things as **not having any late payments**, building a savings account, and otherwise having done everything correctly. If you have high credit card balances with multiple missed payments, you are not going to qualify in these short periods of time.

What was even more surprising to me were the timeframes with regard to the short period of time you have to wait after filing bankruptcy. You are actually in a better position to qualify for a mortgage if you filed bankruptcy before a foreclosure to get rid of the house.

Getting a Mortgage after a Chapter 7 Bankruptcy

Specifically, let's look first at Chapter 7 bankruptcy filings. A Chapter 7 usually takes approximately four months from the date of filing to the date of discharge. Toby advised that, in order to qualify for a **conventional mortgage after a Chapter 7** filing, you would have to wait **four years**. However, for a government-backed loan such as **FHA or VA**, the waiting period is only **two years**. Again, this assumes you have done everything else correct with regard to rebuilding your credit after receiving your discharge.

Getting a Mortgage after a Chapter 13 Bankruptcy

What I found most amazing is that in a **Chapter 13**, which lasts anywhere from 36 to 60 months of monthly payments to the trustee, **you can qualify for an FHA loan after you have made 12 monthly payments into your bankruptcy plan** with the trustee's approval, which is customarily granted.

The Facts About Buying a Home After Bankruptcy

As I stated in the beginning of this article, the myths and lies that are spread by creditors and collection agencies are repulsive. You will be told that your credit is ruined for ten years and that you will not be able to get a car or a mortgage. As Toby explained, you can **get a mortgage in as quickly as twelve months after filing a Chapter 13 bankruptcy and two years after a Chapter 7 if you do the proper things**. What I find totally infuriating is the fact that the lies are spread not only by creditors, but people who believe these **urban myths**. As a result of a client believing these myths, they may struggle in debt for years and suffer from the consequences of stress and worry that breaks up relationships, causes health issues, and, in a worse case scenario, leads someone to commit suicide. All of this stress is unnecessary and created by the mythical stories that are not based in fact, but are perpetrated and continue in the minds of individuals. Accordingly, if you are struggling with debt, you need to get the real facts and not the urban myths that are out there causing you needless sleepless nights.

Contact me for more information or questions you may have about bankruptcy and your own financial situation.

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