



VA Matrix

revised 5/3/2022

Bankruptcy

CH 7

- Min 2 years from discharge date
- Re-established credit needed. UW reserves right to request as applicable
- LOX is needed to explain circumstances that lead to filing BK.

CH 13 – currently in CH 13

- CH 13 does not disqualify a borrower from financing a VA loan
- Borrower can currently be in CH 13 and finance a VA loan
- The borrower's payment performance has been satisfactory, and all required payments have been made on time.
- BK payment must be verified and included in DTI
- Borrower must have written permission from the court to enter into the mortgage transaction. Terms of mortgage must be approved, and this written permission provided to the underwriter prior to a clear to close
- Full set of BK papers are required**
- If the loan is during a BK, this will be a manual underwrite and adjustments will apply. An approve/eligible will not be received until the CH 13 has been discharged for 2 years.

CH 13 – Discharged and within 2 years of event date

- CH 13 must be discharged
- Full payment history for payment on CH 13 required
- Full set of BK papers needed with discharge paper**
- Re-established credit needed. This may be provided in traditional trade lines or non-traditional tradelines
- Manual underwriting guidelines apply

Bankruptcy papers will be required to support significant events dates. If a property is identified as included in a bankruptcy, a sheriff's sale deed will be needed to show proper time period has elapsed to allow borrower to qualify for the loan.

