

Short Sale**Borrower current at the time of Short Sale**

- A borrower is considered eligible for a new FHA mortgage if, from the date of loan application for a mortgage loan all mortgage payments due on the prior mortgage were made within the month due for the 12 month period preceding the short sale, and
- All revolving and installment debt payments for the same time period were also made within the month due
- CAIVRS is clear

Borrower in Default at the time of Short Sale

- A borrower in default on his or her mortgage at the time of the short sale (or pre-foreclosure) is not eligible for a new FHA loan for 3 years from the date of the pre-foreclosure sale.

Higher Priced Mortgage Loans (HPML) – Allowed per Reg. Z