



How Will a Short Sale or Foreclosure Affect...

CREDIT SCORES

Short Sale	Foreclosure
Credit Scores may be lowered as little as 50 points as long as all other payments have been made and will typically affect it for as long as 12 - 18 months. Mortgages will be reported as either Paid or Negotiated.	Credit Scores may be lowered anywhere from 250 to over 300 points and will typically be affected for over 3 years.

CREDIT HISTORY

Short Sale	Foreclosure
A short sale will not appear on a person's credit history and is usually reported as Settled for Less than the Full Amount.	Foreclosures will remain as public record on a person's credit history for 10 years or longer.

BUYING ANOTHER HOME

Short Sale	Foreclosure
A borrower on future mortgage applications will not be asked about a short sale and may be able to receive a reasonable interest rate in less than two years.	A borrower on future mortgage applications will be asked if they have had their property foreclosed on within the last 7 years and will therefore affect their interest rates.

FUTURE LOANS

Short Sale	Foreclosure
An investor or homeowner who completes a successful short sale will be eligible for a Fannie Mae backed mortgage after 2 years or less.	An investor or homeowner of a foreclosed property will be ineligible for a Fannie Mae backed mortgage for 7 years.

EMPLOYMENT OPPORTUNITIES & SECURITY CLEARANCE

Short Sale	Foreclosure
A short sale will not appear on a person's credit history and is usually reported as Settled for Less than the Full Amount and therefore should not challenge any employment opportunities or security clearances.	A foreclosure on a person's credit report may be grounds for termination for some companies and could cancel a person's security clearance. A foreclosure on record may challenge future employment opportunities as well.

DEFICIENCY JUDGMENTS

Short Sale	Foreclosure
In California, purchase-money loans on a one- to four-unit residential dwelling are exempt from deficiency judgments. However, hard-money loans, such as a refinance or 2nd mortgage, may be subject to deficiency judgments.	In California, purchase-money loans on a one- to four-unit residential dwelling are exempt from deficiency judgments. However, hard-money loans, such as a refinance or 2nd mortgage, may be subject to deficiency judgments.



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