



## Your Mortgage PLANNER

with Jamie H. Harrington, President

### **Buying A Home After Bankruptcy**

People file for bankruptcy every day as market conditions, investments and technology-driven employment rates fluctuate. Those who fall into this group often want to know how bankruptcy will affect their chances of obtaining a mortgage to buy a new home.

The best way to determine whether mortgage financing is possible after bankruptcy is to consult with an experienced mortgage broker who can give you information about your specific case based on your financial data. Credit scores can be expected to drop as a result of bankruptcy, so lenders will most likely charge a higher interest rate and high fees to compensate for the higher risk they're taking. Mortgage loans are rated from A to D, with "A" representing least risk to the lender and "D" the highest risk. Subprime loans (less than "A" grade) can be offered to borrowers with a history of bankruptcy, if other criteria can be met.

Most lenders want credit-damaged borrowers to demonstrate personal stability relative to employment, and to make timely payments on installment debts (such as car loans) and revolving accounts (such as credit cards). They'll also ask for documentation of income, assets and liabilities. Obtaining a loan after bankruptcy is challenging, but a real possibility if you are diligent.

If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group is located at 493 NC Hwy. 16 - Suite 2, in Taylorsville.

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