



BANK OF THE WEST[®]



RESIDENTIAL LENDING NEWSLETTER

Conventional Credit Standards for Pre-Foreclosure Events

The following pre-foreclosure credit standards are effective for all Conventional loan applications taken on and after April 19, 2010. This includes all Conventional Conforming, Jumbo, Elite and High Balance products.

The MBD Residential Lending Manual will be updated with this information within the next 2 days.

Deed-in-Lieu of Foreclosure

- Deed-in-lieu must be executed a minimum of:
 - 2 years prior to mortgage application date if LTV is \leq 80%
 - 4 years prior to mortgage application date if LTV is \leq 90%
 - 7 years prior to mortgage application date if LTV is $>$ 90%
- If documented Extenuating Circumstances resulted in the deed-in-lieu, a lesser time period of 2 years from the executed date may be considered with a maximum LTV of 90%

Pre-Foreclosure Sale

- Pre-Foreclosure must be completed a minimum of:
 - 2 years prior to mortgage application date if LTV is \leq 80%
 - 4 years prior to mortgage application date if LTV is \leq 90%
 - 7 years prior to mortgage application date if LTV is $>$ 90%
- If documented Extenuating Circumstances resulted in the pre-foreclosure sale, a lesser time period of 2 years from the completed date may be considered with a maximum LTV of 90%

Short Sales

- Short Sale must be executed a minimum of:
 - 2 years prior to mortgage application date if LTV is \leq 80%
 - 4 years prior to mortgage application date if LTV is \leq 90%
 - 7 years prior to mortgage application date if LTV is $>$ 90%
- If documented Extenuating Circumstances resulted in the Short Sale, a lesser time period of 2 years from the executed date may be considered with a maximum LTV of 90%

Re-establishing Credit

- After a bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure or short sale, a Borrower's credit will be considered re-established if all of the following are met:
 - Waiting period and related requirements are met
 - Loan receives an Approve/Eligible from DU or if manually underwritten, meets minimum credit score
 - Borrower has traditional credit history – non-traditional credit histories or 'thin files' are not acceptable