

## Mortgage after Bankruptcy – How to get a Mortgage after Bankruptcy?-00-3924

Declaring bankruptcy:

Declaring bankruptcy can be a great tool if you find yourself drowning in debt.

Bankruptcy is meant to help people who just cannot find another way out. It allows you to use all of your assets to pay back as much as possible over a set number of years all at once and then start anew. When you declare bankruptcy, you free yourself from creditor and collection agency phone calls and have the chance to start over again with a fresh slate.

Life after bankruptcy:

Well, almost. When you declare bankruptcy, it appears on your credit history that you took this action. Bankruptcy means that your lenders probably did not get back all of the money you owed them.

Therefore, if future lenders see that you have declared bankruptcy in the past, you are considered to be a very high-risk candidate, because you might not have changed. Getting a mortgage after bankruptcy can be especially difficult, but there are ways to go about doing it.

Credit history building up credit:

First, building up credit good or bad takes time. If you declare bankruptcy, you effectively wipe out your credit history.

However, that includes any good credit you may have had as well. Therefore, you have to start from scratch.

Just like a mortgage lender would consider a young adult a high-risk candidate because he or she has little credit history, you too will be considered a high-risk candidate.

You can explain to your lender about how you're going to change until you are blue in your face, but a more effective way to do that is to prove it.

Build up your good credit again, and wait about two years before even considering approaching a lender regarding a mortgage.

Special government programs to get a mortgage:

You can also use special government programs to help you get a mortgage.

Some will work with you to put less money down on your new home and to convince a lender that you should qualify, even if you have declared bankruptcy in the past.

If you have a solid income now and are working to pay off debts, you can probably qualify for some of these government programs.

Use home as equity:

You can also use your current home as equity to convince a lender that you should qualify.

The less money your want to borrow, the less risk you are to a lender.

Therefore, if you can pay for the majority of your new home by selling your current home, your lender will be more likely to overlook the fact that you've declared bankruptcy in the past.

Conclusion:

The real lesson here is that bankruptcy should not be declared lightly. You need to make absolutely sure it is the best option for you.

Bankruptcy should be your last resort financially, because it will make it difficult to do things like get a mortgage in the future.

### About the Author

To know more about bankruptcy and Mortgage after Bankruptcy by Bendz (M.S.Benz), Visit [life after bankruptcy for life after bankruptcy and Mortgage after Bankruptcy](#) Click here to read more on Mortgage after Bankruptcy. Courtesy of: [article submission](#)

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