

September 24, 2013 /**24-7PressRelease**/ -- A rule change recently implemented by the federal government is great news for one-time homeowners who have been through a bankruptcy, short sale or foreclosure. The new rules slash the time spent waiting to become eligible for a home loan through the Federal Housing Administration (FHA) after an "adverse financial event" from three years down to one year. This gives those who have worked hard to get back on the right financial path the opportunity to purchase with a home with a government-backed mortgage much sooner than they would have in the past.

The new rules won't necessarily affect the ease with which a mortgage is awarded, meaning that buyers will still have to meet financial criteria to be approved. This new approach is somewhat limited in that it is available to those potential homebuyers who can prove that:- The reduction in income (be it from job loss or another reason) that caused their bankruptcy/short sale/foreclosure was outside the scope of their control- Their income has now recovered- They have attended (or will attend) housing counseling

Even with those limitations, though, it will still be a viable option for many who lost their homes during the so-called "Great Recession" of the past several years. And it a positive step toward putting qualified buyers back in position to be earning equity in their own home once again.

The interplay of the new rules and [short sales](#)

As mentioned, this program is open for people who, due to financial matters beyond their control, lost their homes to foreclosure, surrendered them in bankruptcy or went through a short sale. Most people are familiar with the concepts of foreclosure and bankruptcy, and have a basic understanding of how they work, but might be confused about what the term "short sale" means.

There are many myths, misconceptions and [questions about short sales](#) . Short sales aren't called that because they are necessarily shorter in duration than traditional sales, but because the lender has decided to accept the sale of the home for less than the amount owed on the mortgage. This process is very effective for many struggling homeowners, because it gives them the freedom to get relief from untenable mortgage debt without having to endure the foreclosure process. Short sales also have far less of an effect on a homeowner's credit than a foreclosure does.

While trying to purchase a home after a short sale has always been easier than applying for

New federal rules cut wait time for buying a home after a short sale

Written by Australian Business

new housing loans following a foreclosure, this revised approach puts former homeowners on equal financial footing sooner, allowing for more natural competition for mortgages.

Since the new rules have so recently been enacted, their impact has yet to be felt in California's housing market. In the meantime, do you have questions about short sales in California? Are you interested in learning more about mortgage debt management options like [bankruptcy](#), foreclosure or short sales? For the answers to these and other debt-related questions, seek the advice of an experienced bankruptcy and debt relief attorney in your area.

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