

# DAIGLE LAW OFFICE - *after hours*

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## Qualifying for a Mortgage After Bankruptcy



### DAIGLE LAW OFFICE

Bankruptcy filers often are concerned that they won't be able to get a mortgage once their bankruptcy is over. This could not be further from the truth. You can qualify for a mortgage after bankruptcy, but you will first need to reestablish your credit during a "waiting period."

A bankruptcy stays on your credit report for a minimum of 7 years (for Chapter 13) and a maximum of 10 years (for Chapter 7) after you file. A bankruptcy filing can lower your credit score by 100 or even 200 or more points. The higher your pre-filing score, the more points you will lose. Of course, if your score was already in the basement before you filed, it may not have much farther to fall.

**Contact Daigle Law Office and ask about our program  
*REBUILD YOUR CREDIT SCORE TO 720: (508) 771-7444***

As time passes and you work diligently to repair your credit, the effect of having the bankruptcy on your credit report declines considerably. You don't have to wait 7 to 10 years until the bankruptcy falls off your credit report to be approved for a mortgage. You may be able to qualify for a mortgage as soon as 1 to 4 years after your bankruptcy. However, during the first 4 years after your bankruptcy closes, you will probably be offered higher interest rates and be required to put more money down than borrowers without a bankruptcy on their credit reports.

### MORTGAGE LOANS YOU CAN QUALIFY FOR AFTER BANKRUPTCY

**A. Conventional Mortgage** - A conventional mortgage loan originates from a bank, online bank, or credit union. Conventional mortgage loans are the most common type of mortgage loan and typically offer the best interest rates. A conventional mortgage lasts

anywhere from 10 to 30 years. The interest rate can be fixed or adjustable. Your credit score generally has to be in the range of 620 or so and you are normally required to make a down payment of at least 3 percent. If you can make a down payment of 20 percent, you will not need to purchase private mortgage insurance, which can cost thousands of dollars. Even if you have to buy mortgage insurance, you won't have to continue to pay for it once the equity in your home reaches 20 percent of the value of your loan.

**B. FHA Loan** - This is a loan insured by the Federal Housing Administration. The requirements for an FHA loan are much easier to satisfy than the requirements for a conventional loan. These loans generally have a term of 15 to 30 years. The interest rates for an FHA loan can be fixed or adjustable. The down payment required depends on your credit score. If your credit score is at 580 or above, you will need to put down an amount in the range of 3.5 percent. You might also be required to explain why you had to file bankruptcy when you fill out your application for the loan. All FHA loans require you to buy mortgage insurance for the life of the loan.

**C. VA Mortgage** - Many military veterans file bankruptcy. Military veterans who meet service requirements set by the Department of Veterans Affairs can apply for loans backed by the VA. The VA has not established a minimum credit score that applicants must meet, but lenders who make the loans have their own requirements which vary. A common required score is 620. These loans do not require any money down and generally have either 15 or 30-year terms. VA mortgages do not require mortgage insurance. When applying, you will need to provide an explanation of the reasons for your bankruptcy.

## WAITING PERIODS

Mortgage lenders have instituted waiting periods for qualifying for a mortgage after bankruptcy. These waiting periods give you the opportunity to create a track record of financial responsibility that will increase

the lender's confidence that you will be able to make the mortgage payments. The length of the waiting period depends on the type of bankruptcy you filed and the type of mortgage loan you are seeking.

### For Chapter 7 Filers

In Chapter 7, you discharge all of your debts that the court deems dischargeable in a relatively quick period of time, usually less than a year. There is a 2-year waiting period from the date you received your bankruptcy discharge until you will be able to qualify for an FHA or VA loan. For a conventional loan, the period may be as long as 4 years.

### For Chapter 13 Filers

In a Chapter 13 case, you are in bankruptcy for a period of 3 to 5 years while you repay at least some of your debts. You may be eligible for an FHA or VA loan after you have made 1 year of payments on your payment plan. You will also need your trustee's approval and an explanation for your bankruptcy that demonstrates you had no other choice. There is a 2-year waiting period for conventional loans after completion of a Chapter 13 case. If your Chapter 13 case is dismissed before you complete your repayment plan, the waiting period is doubled to 4 years from the dismissal date for a conventional loan.

### If You Also Have a Foreclosure on Your Credit Report

A foreclosure on your credit report in addition to a bankruptcy may increase these waiting periods. For an FHA loan, the waiting period is extended to 3 years. For a VA loan, it is 2 years. For a conventional loan, the waiting period is 7 years. However, if the mortgage loan on the foreclosed property was discharged in your bankruptcy, the waiting period is 2 years provided that you have a down payment of at least 10 percent and you are using the loan to buy a home that will be your principal residence.

### If Your Bankruptcy Was Caused by Extenuating Circumstances

Conversely, extenuating circumstances may reduce your waiting period. Extenuating circumstances are one-time events beyond your control that led to your

bankruptcy, such as a divorce, job loss, illness, or death. You will need to provide the lender with documentation of the event to get a reduction in the waiting period.

## IMPROVING YOUR FINANCIAL PROFILE AFTER BANKRUPTCY

To qualify for a mortgage, you will need to rebuild your credit score following the close of your bankruptcy. Your credit score will be very important in determining how much money you have to put down on your mortgage and what interest rate you will be offered. Here are some ways you can rebuild/improve your credit score after your bankruptcy discharge:

**A. Open a Secured Credit Card** - Secured credit cards are very easy to get and can help you slowly rebuild your credit. In a secured account, you deposit a certain amount of money, generally \$350 or less, to ensure that you make your payments every month. You are given a credit limit equivalent to the amount you deposited. You then charge expenses to your secured card and those charges get reported to your credit report monthly and help build your credit. The best way to use a secured credit card is to use it regularly and pay your bill in full or close to it every month. Obviously, you must make your payment on time every month to ensure your score improves.

**B. Open a Traditional Credit Card** - After a year of solid on time payment history on your secured card, consider applying for a traditional card. The difference between a traditional card and a secured credit card is you don't put any money down for a traditional card. A traditional credit card may be risky for you if your bankruptcy was caused by careless or reckless overuse of credit cards and excessive credit card debt. However, if you exercise good judgment and self-control, you can practice safe spending and rebuild your credit in a slow but sure manner. As with the secured card, make your payments on time every month to ensure your score improves.

Immediately after your bankruptcy, you will get tons of credit offers in the mail. Although they may be tempting, be very cautious about accepting these offers. The interest rates will be very high. You will get better offers if you are patient, begin with a secured card, and build your payment history first, before getting an unsecured card. If you do accept one of these offers, use the card sparingly and pay off your balance each month to avoid the high interest charges.

**C. Keep Your Credit Utilization Low** - Keep the charges on your credit card under 30 percent of your credit limit. For example, if you have a credit limit of \$350, you don't want to have a balance on your card of more than \$105. Credit utilization accounts for 30 percent of your credit score.

**D. Continue to Pay Your Reaffirmed Debts** - Many people who file bankruptcy reaffirm some debts. In most cases, these are car loans. Reaffirm means you agreed to keep the debt from being discharged as if a bankruptcy never occurred. This is one of the easiest ways to rebuild your credit as you need the vehicle and have to pay the loan on time to avoid losing it.

**E. Pay All Other Reported Bills on Time** - Many monthly expenses can be reported to the credit bureaus if not paid on time. These debts include the following:

- Rent
- Utilities
- Cell Phone
- Medical Bills
- Gym Memberships
- Traffic Citations

It is imperative that you pay these bills on time and in full. Payment history accounts for 35 percent of your credit score.

**F. Limit Credit Applications** - Many people apply for credit any time they receive an offer. You must be very careful with how you apply for credit. Too many credit inquiries caused by applying for credit can have a

negative impact on your credit score. Opening too many accounts in a short period of time hints at money issues which will hurt your credit score as well.

**G. Keep Your Accounts Open** - It is better to keep an account open than it is to close the account, as closing the account reduces the credit availability amount.

**H. Keep an Eye on your Credit Reports** - The best way to maintain your credit score is to monitor your credit report and ensure everything that is being reported is accurate. If you see that something is not accurate, make sure to immediately contact the agency reporting the account incorrectly and dispute it. Many companies neglect to update credit reports with bankruptcy discharges. You should get an official report from the three major bureaus at least once a year. There are numerous credit score apps you can use that report information regarding your credit, but they are not official and should not be your only source of information regarding your credit.

## BE PATIENT

One of the most important things a person with a recent bankruptcy can do when looking for the right time to qualify for a mortgage is be patient. Bankruptcy is an effective process that enables you to rebuild your life and your credit score. It is always best to wait until you are in a good financial position to apply for a mortgage. Make sure you have been paying your bills on time and have taken care of your credit score. Finally, research your prospective lenders, loan types, interest rates, down payment requirements, and monthly mortgage payment. Compare your monthly payment to what you can reasonably afford. Only you know what you can afford to pay on a monthly basis and whether you can reasonably commit to the debt for 15 to 30 years. If you are patient and do your homework, you will find the right mortgage for you.





# 6 Tips to Keep Your Home Secure When You're on Vacation

Whether you are going away for a long weekend or a long-awaited vacation adventure, take these steps to keep your home safe while you're away:

## **1. LET YOUR NEIGHBORS KNOW YOU WILL BE GONE.**

Let several of your neighbors know when you are leaving and when you are returning, and ask that they keep an eye on your house and report any suspicious activity. Ask one trusted neighbor to help make your house look lived-in by taking the garbage cans to/from the curb on collection day, picking up the newspaper from the driveway, collecting any flyers or packages left at the door, and bringing in your mail. (If you prefer, you can put a temporary stop on your newspaper delivery and ask the post office to hold your mail until you return.)

## **2. SET LIGHTS ON A TIMER.**

Timers are easy to find; easy to set up, for both interior and exterior lights; and inexpensive. Make sure you have timers set to turn on the lights in several rooms, including on the upper floors if you have a multi-story home. Don't wait until the last minute to do this. Set the timers and do a test-run a day or two before you leave, just to make sure everything is in order.

## **3. MAKE SOME NOISE.**

Lights are not the only thing you can set on a timer. Consider putting your T.V. on a timer to give the

impression that someone is home. A battery-operated radio, set to a moderate volume and placed in a bedroom or bathroom, can have the same effect.

## **4. MIND THE LAWN.**

Depending on when you go and how long you will be gone, you might need to arrange to have the lawn mowed while you are away. Set the sprinklers on a timer. If you go away in the winter, arrange for a neighbor, or one of the neighborhood kids, to shovel snow from the driveway and sidewalks, as needed.

## **5. TAKE A VACATION FROM SOCIAL MEDIA.**

This may be particularly difficult, but do your best not to share your vacation plans on social media before you leave and not to post photos while you're gone. If you want to update your family or friends on all the fun you're having, send a text or email, with a few photos attached. You can post on social media to your heart's content when you return. (You may even find that you enjoy this break from social media and the joy that comes from putting your phone down and being present in the moment.)

## **6. DOUBLE-CHECK THE DOORS AND WINDOWS.**

Before you close the door behind you, double-check that all the doors and windows are locked. If possible, have a second person check too. This is also a good time to check that the coffee pot is unplugged, the oven and the stove are turned off, and the thermostat is set at an appropriate temperature.

# 14 TIPS TO HELP YOU BE MORE PRODUCTIVE AT WORK



Sometimes the demands of work are such that you have to stay late into the evening or work on a Saturday. Things pop up; fires need to be put out; work happens. If, however, you are regularly working late nights and weekends to catch up on work you should (and could) have done during the week, that is not a “work happens” issue. That is a productivity issue. Fortunately, a few small tweaks to your routine can make a big difference in your productivity at the office and, as an added bonus, give you more free time away from the office.

Here, we’ve collected 14 tips to help you get started on the path to greater productivity. We hope you find one or a few that work for you. Good luck!

## 1. STOP TRYING TO MULTI-TASK.

There is no such thing as *effective* multi-tasking. True, you may be doing several things at once, but you are not doing any one of those things very well – certainly not as well or as efficiently as you could be if you gave one task your undivided attention. The key to real productivity is to focus on one task at a time.

## 2. BUILD SHORT BREAKS INTO YOUR SCHEDULE.

Remember high school? Each class period lasted a set amount of time (say, 50 minutes). When the bell rang, you got up, walked to your next class and settled into your seat, ready to focus on your next lesson. Take yourself back to school. Set an alarm to ring every hour to remind you to get out of your chair and take a short break. Even if you consider yourself a “power through” kind of person, schedule at least a couple of short breaks during your workday. You will see an increase in your productivity, creativity and problem-solving ability.

## 3. TAKE EFFECTIVE BREAKS.

Leaning back in your chair to scroll through social media might give you a break from the task at hand, but it won’t help you be more productive. Try these tactics instead:

- Stretch. You may never have been to a yoga class, but you still can benefit from these “office yoga” poses: [yogajournal.com/practice/beginners/how-to/office-yoga](http://yogajournal.com/practice/beginners/how-to/office-yoga).
- Get up and move. Take a short walk around the office or, even better, get outside for some fresh air.
- Chat for a few minutes with a colleague, about something non-work-related.
- Grab a cup of coffee.
- Take a short (not more than 20 minutes) nap. For even better results, have a cup of coffee before you close your eyes. It takes about 20 minutes for caffeine to be absorbed into your bloodstream, which means your coffee will be kicking in right about the time you are waking up.

## 4. TAKE A LONG(ER) BREAK.

If you hit a creative roadblock or you feel like you are circling, rather than solving, a problem, taking a longer break sometimes can be helpful. If your deadline will allow it, set that project aside for a day or two. When you look at it with fresh eyes, you may see a solution that eluded you previously. “Sleeping on it” overnight can have the same effect.

## 5. MAKE A LIST.

Most people make “to do” lists. Productive people make good “to do” lists. Here are some tips:

- Write down specific, manageable tasks to be completed today, not general goals to be achieved this

- week or this month. For example, “work on budget” is not a productive list item because it is far too open-ended. Instead, break that end-goal down into discrete tasks, e.g., review last year’s budget; highlight areas of potential savings; list new line-item requests for this year.
- Prioritize tasks. Are you a morning person or does it take you a few hours to really hit your stride for the day? Tackle your most challenging projects when you are most alert.
- Schedule a specific time to do that unpleasant task you’ve been avoiding. For example, “10:00 – Call client to explain/warn of late delivery.” Then, follow through. Scheduling an appointment, with a set time, can help you avoid the trap of “structured procrastination” -- that is, busying yourself with less important tasks to avoid doing the difficult, but more important, task that really needs to be done.
- Write one list only. You can write your list in a notebook or on an index card or desk calendar, or type it into your phone or computer. Choose any method that works for you and stick with that *one* method. If you have more than one list, something is going to fall through the cracks.

## 6. WRITE TOMORROW’S LIST TODAY.

Set aside ten minutes at the end of each workday to write tomorrow’s to-do list. This one small change in your routine can have a huge impact on your productivity because it allows you to hit the ground running when you come to work each morning. You don’t have to exert any energy in figuring out what to do first; you just have to get started.

## 7. KEEP TRACK OF HOW YOU SPEND YOUR TIME AND SET LIMITS, AS NEEDED.

Pay close attention to how you spend your time each day. Are you surprised at how long certain tasks take? If so, look for ways to be more productive. For example:

- Does your mind wander every time you sit down to complete a certain required, but routine (i.e., boring) task, like reviewing and tabulating monthly expense reports? Set a time limit: “I will not spend more than 20 minutes on this task.” Then, focus and get it done. Even better, consider whether you can delegate that task to someone who can accomplish it more efficiently?

- Do you tend to wring your hands over creative projects and spend significant time worrying over the (often insignificant) details? If so, you may have to let go of the idea of perfection. Train yourself to do your best (not perfect) work; call it “done”; and move on to the next project.
- Do open-ended projects tend to morph into never-ending projects? Set a realistic deadline and hold yourself to it. The pressure of a deadline, even a self-imposed deadline, will help you to focus and work more productively. Remember the old adage, “Work expands to fill the time allotted.” Measure the value of each task and allot only that much time.

## 8. MINIMIZE DISTRACTIONS.

- Silence your cellphone and/or turn off notifications.
- If you are working on a tight deadline, close your office door.
- Never check social media during work hours. If cold-turkey is too difficult, set a designated time (e.g., 10 minutes at the end of lunch) to catch up on social media and your newsfeed. You can also download an app to block social media. See, e.g., [reviewed.com/smartphones/features/10-apps-that-block-social-media-so-you-can-stay-focused-and-be-more-productive](http://reviewed.com/smartphones/features/10-apps-that-block-social-media-so-you-can-stay-focused-and-be-more-productive).

## 9. MANAGE YOUR EMAIL.

Email can be the biggest distraction of your day and will significantly reduce your productivity if you let it. Be proactive about managing your email. Here are few suggestions:

- Avoid checking email first thing in the morning. It’s too easy to allow others to hijack your day. Instead, make your to-do list the night before; attack your list first thing in the morning; then, after a concentrated work period, check your email.
- Scan and filter. When you open your email, do a quick scan. Is there anything you can identify immediately as junk? Delete it. Is there anything that deserves your attention (e.g., an email from your boss or a response from a prospective client)? Open those emails and deal with them. If an email will require additional work or research before you can respond, it may be more productive simply to acknowledge receipt and promise a fuller response the next day. Then, put that on your to-do list for tomorrow and get back to work.

# MOM'S CHILI

**Prep 30 Mins**

**Cook 3 Hours**

**Yield 10 Servings**

**Packed with vegetables, three kinds of beans, two kinds of meat and lots of spices, plus extra for the freezer.**



## INGREDIENTS

1.5 T whole cumin  
2 t whole coriander seeds  
2 T olive oil  
1 onion, chopped  
4 cloves garlic, minced  
1 pound beef stew meat  
1 pound mild turkey italian sausage, casings removed  
1 28-ounce can of chopped tomatoes  
1 14-ounce can cannellini white kidney beans, rinsed and drained  
1 14-ounce can kidney beans, rinsed and drained  
1 14-ounce can black beans, rinsed and drained  
1 jar roasted red peppers, drained and cut into 1" pieces  
1 cup or so of dry red wine or water  
3/4 ounce of chili powder  
2 T dried basil  
2 T dried oregano  
2 zucchini, sliced in half and then chopped into half-circle pieces  
2 ears fresh corn, slice kernels off  
Salt and pepper to taste  
Garnish with diced avocado, cucumber, red peppers, cilantro, green onion, sour cream, cheese and tortilla chips

## INSTRUCTIONS

Over medium heat, toast your whole cumin and coriander seeds in the pot you will cook your chili in. Stir frequently so they don't burn. This only takes a minute or two. Remove seeds from pot and put in a molcajete or mortar and pestle. Grind the toasted seeds to a powder and set aside.

Put olive oil in the bottom of a medium hot pan and add onion and garlic and sauté for about 5 minutes. Add ground cumin and coriander and cook another 5 minutes until everything is soft.

Push onion mixture to the side of the pot and add beef stew meat and sausage meat. Brown meat, stirring for about 15 minutes, until the meat is no longer pink. If there is a lot of rendered fat in the pan, pour off most of it.

Add chopped tomatoes and wine, beans and roasted peppers. Stir to mix and bring to a boil. Turn down heat and add chili powder, basil, oregano and zucchini. The vegetables and meat should be covered in liquid. If not, add more wine or water. Cook on low heat for 1 to 3 hours. Stir frequently and deeply as beans will stick to the bottom of the pan.

When you are ready to serve, add the corn kernels and cook for another 5 minutes. If you want to serve Hawaiian-style, put a scoop of rice in your bowl before you add the chili. Garnish with chopped vegetables of your choice, grated cheese, sour cream and tortilla chips.