

Can I still purchase a home after filing for bankruptcy?

Yes, though you will have more difficulty than if you hadn't filed bankruptcy. Bankruptcies may appear on your credit report for up to 10 years and significantly drop your credit rating. Borrowers are rated from A to E, with A-rated borrowers being the best credit risks. If you filed bankruptcy between one and 10 years ago, expect to be rated C. As a C-rated borrower, you can expect to be required to make a down payment from 20 to 35 percent for a loan with an interest rate one to three percent higher than an A-rated loan. If your credit rating is less than an A, your best bet for getting a mortgage is to bypass the banks altogether and head straight for a mortgage broker specializing in difficult loans.