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How long a foreclosure affects your credit? by [Mitchell Calvo](#)

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A foreclosure affects your credit report in a very bad manner and for a very long time. But as long as an individual follow steps to set his credit report, a foreclosure does not mean his credit is damaged.

An individual's FICO score and credit report are extremely important. FICO score is a score that comes on an individual's credit report and it shows the commitment and the efficiency of the person towards making the payments of a mortgage. A good credit report means a good FICO score.

In today's economy, there are hundreds of homeowners who are unable to repay their present loans and are suffering from foreclosures. These people think that they are now left with loan foreclosure only. But they have no idea how badly a loan foreclosure can influence their credit report and reduce their FICO score. A foreclosure absolutely affects credit reports in a negative way and also influences the individual who has a credit foreclosure when there is a need to qualify for a new home loan. The foreclosure effects will occur instantly once the foreclosure procedure commences. An individual's credit will also be negatively influenced after the partial or first missed payment.

Foreclosure is considered as the one of the most damaging things one can have on his credit report, apart from bankruptcy, and the damage will remain on your credit report for around 7 years. This simply dictates that the results of a foreclosure will bother an individual for a very long time, may be even after an individual gets his reputation back after his fiscal difficulties. The actual amount that an individual's credit report will drop once the foreclosure procedure commences will differ from one case to another. If an individual holds an extremely good credit report before he becomes the victim of foreclosure, it might not have as destroying of an impact on his credit report as it would if the person has partial information on his credit report before foreclosure happens. One of the most important things you need to keep in mind is that an individual's credit report is produced from all his credit history details, not just one thing like foreclosure.

If an individual has never had a low credit report, he might be wondering how long a foreclosure will affect his credit. After the person has lost his house in the process of foreclosure, he will require a new place to live. If an individual plans to purchase a new house, he will not be able to get a mortgage easily because of the presence of a foreclosure on his credit record. An individual might be able to obtain a loan if his conditions have changed like he had been unemployed but is now employed in a secure job.

Nonetheless, there are certain lenders that will ignore a bankruptcy or a foreclosure, a short time once the debts are released. The lenders who provide this option normally put higher interest rates than others.

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