



After Foreclosure12. Long-Term Credit Impact

Foreclosure can remain on credit reports for years.

Effects:

- Higher interest rates
- Loan denials
- Difficulty qualifying for mortgages
- Larger deposits for utilities/rentals

Typical waiting periods before another mortgage:

- FHA: often around 3 years
- Conventional loans: often 5–7 years
(depending on circumstances)

13. Housing Instability

After foreclosure many people face:

- Higher rent costs
- Limited landlord options
- Need for co-signers
- Frequent moves

Some landlords specifically screen for prior foreclosures.

14. Loss of Home Equity

A major long-term problem:

- Years of equity and payments may be lost
- Missed future appreciation
- Reduced retirement wealth

For many families, the home was their largest asset.

15. Possible Eviction After Sale

If the homeowner remains after foreclosure:

- The new owner may begin eviction proceedings
- Timelines vary by state
- Additional court costs may occur

“Not legal advice. Not an attorney. Verify all information with a licensed Texas attorney or qualified professional.”



16. Difficulty Rebuilding Financially

People often experience:

- Increased debt
- Depleted savings
- Retirement withdrawals
- Trouble rebuilding emergency funds

Some also face:

- Wage garnishment (in some cases)
- Collection activity
- Bankruptcy consideration

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