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Short Sale Specialists

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Understanding Short Sales

What is a short sale?

A short sale occurs when a lender accepts less than what is owed on the mortgage.

Will the bank pursue me for the differences I owe?

Not if the loan was non-recourse (purchase money). A lender, as part of the short sale negotiation, typically will release the borrower from any more liability on the mortgage.

Does some sort of Hardship have to be present for a short sale to occur?

Yes. A short sale is for people suffering financial or personal hardship. It is not simply an escape from a bad investment or choice of loan. Lenders are placing increasing focus on whether there is a true hardship.

Why do I have to submit a short sale package?

All lenders require a complete short sale package, including tax returns, bank statements, pay stubs, etc, to show that there is a genuine hardship.

Can I sell my property for any price?

No. Lenders are looking for particular ratios in comparison to market value, and unreasonable offers have a very small chance of success. If your lender believes it is better off financially to foreclose, it will do so. Also, the lender will foreclose if you do nothing or you give them an incomplete short sale packet or unreasonably low offers.

Will I get any money from the sale?

Not usually. Most lenders will not allow a borrower to receive any money. If the lender thinks you are getting paid from the sale, they will terminate the short sale.

How long will this take?

This is entirely up to the lender. Some lenders take as little as two weeks, some over six months. The only way to know is to begin the process. The key is making sure that your short sale package is complete and that you follow up daily with the lender.

Will a short sale hurt my Credit?

Perhaps. The short sale may not show up on your credit. Often, a short sale is reported as "Paid-Settled". If you are late with your payments, your lender will likely report this and your credit will be affected.

◆ **Our Negotiator** work with the lenders for the purpose of affecting a Short Sale.

Please call us with your Short Sale questions.