



SHORT SALE

WHAT IS A "SHORT SALE"

A Short Sale is also known as a "Pre-foreclosure". When the sale price of a home is insufficient to pay for outstanding costs, including:

1. Mortgage balance
2. Closing Costs

AND

Seller can prove a financial hardship,

THEN



The financial institution (and only the financial institution), can grant a "SHORT SALE", or a renegotiated sale price below the outstanding mortgage balance.

HIGHLIGHTS

This is a great opportunity for ALL parties, in that:

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|----------------------|---|
| The Seller receives: | A satisfaction of mortgage |
| The Buyer receives: | A below-market price on a nice home, and, |
| The Mortgage Holder: | Avoids the costs of a foreclosure. |

REQUIREMENTS

1. The seller must write a financial hardship letter and provide financial statements to the Mortgage Lien-Holder showing that they can no longer make the payments.
2. The home must be listed through a Real estate agent. The agent represents BOTH the Seller's and the Lien-Holder's interests. The asking price of the home will be below the current market price to attract an offer quickly.
3. Any contract/offer received will be forwarded to the Lien-Holder for evaluation.
4. The Lien-Holder will evaluate the offer, and respond with an acceptance or a counter-offer for the Buyer and Seller.
5. The closing date will be dictated by the Lien-Holder. The entire process usually takes 45 - 90 days, but can take up to 6 months.

CONCLUSION

At the closing, the Seller does not receive any money from the sale, BUT does receive a *Satisfaction of Mortgage*, thus avoiding Foreclosure.