How do I know if a Short Sale on my property is right for me?
Because of the current market conditions, mortgage lenders are more willing to work with borrowers faced with a financial hardship by agreeing to the short sale process. If you are faced with a hardship and are unable to meet your financial obligation on your mortgage, your lender would prefer to settle the matter with you as opposed to taking the property through the foreclosure process.

If I do a Short Sale, what do I have to pay to sell my home?
In most cases, you will pay literally no sales costs if your lender approves the Short Sale. The agent commissions, title and escrow fees, and even most repair expenses are paid by the lender as part of the Short Sale approval. In most cases, the amount the lender reduces the sellers' payoff is considered to be "forgiveness of debt." This amount is normally taxable. Only a tax professional can make this determination. (Pending Approval: The U.S. House of Representatives has introduced the Mortgage cancellation Tax Relief Act (H.R. 1876), which would eliminate taxes on any debt forgiven on a principal residence through either short sale or foreclosure.)

How do I get started on the Short Sale process?
There are very specific categories that lenders consider "qualified hardships." A short sale can only take place if both your property and you qualify. You will need to make sure you are working with an experienced short sale transaction management team so that you will increase the odds of having your lender accept the proposed short sale with your first request. Not all lenders will accept a short sale… Experienced negotiation is the key.

What "hardship" is acceptable for a lender?
Below you will find a list of "hardships" that are frequently accepted by mortgage lenders:
• Job loss, unemployment or significant income loss
• Divorce or Separation
• Excessive medical bills
• Death of Spouse
• Military Service
• Adjustment in mortgage payment or unforeseen increase in living expenses
Most mortgage companies or lenders require the hardship letter pursuant to a short sale. In the hardship letter, it is important to present the facts clearly and above all else be honest. The hardship letter must be able to prove the situation that caused you to fall behind on your payments and the excuse for falling behind must be legitimate and provable. A hardship is defined real and the mortgage company believes the loan is likely to become delinquent.

Do my mortgage payments need to be delinquent?
Most lenders will turn down your request for a short sale if the seller is currently making the payments. The only time they will consider it a short sale, is when the seller's payments are delinquent. This presents a particularly difficult dilemma for the seller. Sellers who keep their payments current are protecting their credit rating, but the lenders require delinquency to do a short sale transaction.

I have two loans; can I still do a Short Sale transaction?
Yes. We can work with both lenders to put together a Short Sale transaction packet together.
We are usually successful at getting the two lenders to cooperate because neither lender wants to own another home through foreclosure.

I am concerned about my credit, how will a Short Sale affect my credit?
Late payments leading up to a Short Sale will negatively impact your credit however if your bank accepts a Short Sale and does not negatively report, the short sale will not in itself negatively impact your credit score. For sellers, the key advantage to selling in a short sale is avoiding foreclosure. A short sale does less damage to a person's credit report than a foreclosure. It's also less detrimental than a "deed in lieu" (of foreclosure), in which a borrower gives the lender the keys to the house and stops paying the loan.