

## **Short Sale: A Win-Win-Win Situation**

By Allen S. Brodetsky

With the Real Estate Market in a downturn, many homeowners have been faced with losing their home to foreclosure. It is no secret that foreclosures are at an all-time high. If you owe more than your house is worth and cannot afford the monthly payments, you may be able to save your credit portfolio by selling your home short without having to pay your lender the difference. This process is known as a short sale.

A "short sale" is a sale of a home in which the sales price is less than what the owner of the home still owes the lender. It is a procedure that requires the lenders consent and may take up to 6 months. Frequently, a lender would rather take a small loss with a short sale than deal with a foreclosure. This procedure benefits both the bank and the homeowner. With the lenders consent, both parties will avoid the lengthy and costly foreclosure process.

There are several key steps you must take to ensure you maximize your eligibility for lender assistance. First and foremost, communication is paramount. Burying your head in the sand as creditors call you is counter-productive. By communicating with your creditors, you show a good faith effort to resolve the current problem. This cooperation is looked at highly by lenders. Second, provide a hardship letter as well as all requested financial information by the lender as soon as possible. With the amount of foreclosures and short sale's currently under review, the lenders have been swamped with work out requests. Sending a complete package will help speed up the process. Be sure to ask your lender exactly what documentation they are looking for. Accompanying your submission package should be a fair market appraisal by a licensed appraiser to support the lower value. Most importantly, be sure to retain a Realtor that has experience in Short Sales. This area of expertise is specialized and not everybody is familiar with the process and procedures to do a short sale. Be sure to interview your Realtor and ask him about his experience with Short Sales.

A Short sale can greatly benefit potential buyers. Often times, a lender will sell a home at a reduced price to minimize future exposure in a slumping market. The flipside is that a buyer must be patient as this process can take up to 6 months. An experienced Realtor can help you locate homes that are in the foreclosure, Short Sale and Real Estate Owned category.

According to Freddie Mac, Fannie Mae and Governor Schwarzenegger, lenders are here to help strapped homeowners with their mortgage woes. Lenders have shown support for helping homeowners with financial problems by offering loan modifications, short refinances, short sales, repayment programs and debt forgiveness. If you anticipate a problem paying your mortgage in the near future, make sure you take action before it is too late.

\*\*If you need assistance with a short sale or would like a free mortgage analysis for a purchase or refinance, please contact Allen Brodetsky at (818)-312-0831.