

Short Sales

A short sale is the name for the situation where the owner of the house owes more on the property than the property is currently worth. In Alameda County Ca., in 2010, there are thousands of homeowners who are “upside down”, or in a short sale situation, and are currently trying to sell their house.

Short sales can take more time to complete and are more complicated than dealing with REO's, or bank owned properties. In addition to approving the buyers price for the property in question, the lender must also approve that the seller is finally insolvent and cannot pay the mortgage. If the owner can pay the banks mortgage ... well then most banks will not approve a short sale. The sellers must submit, to the bank, all of their financial, tax, credit, and income information. They must prove to the bank that they can't make the payments. If the seller can show financial insolvency and the bank approves this and the buyers purchase offer, then the bank may approve the short sale. Here's a “to do” list on short sales:

- Seller must prove to the bank that they can't make the payments.**
- Seller must already have missed consecutive mortgage payments**
- The bank and the seller must approve the buyer's purchase offer**
- The buyer should inspect, and evaluate the property and determine what current market value is**
- Lender should provide clear title to the buyer. Be careful with this one, in a short sale situation the owners frequently have second mortgages, and / or equity lines on the property. You have to make sure that all such liens on the property are released.**



For 2009-2010 lenders are becoming much more open to doing, and completing short sales. In May of 2009 the Federal Treasury started offering financial incentives to lenders for helping homeowners avoid foreclosure by using short sales to help homeowners. Banks are in the process of streamlining their ability, adding employees and adding experienced people to their staffs, to complete a home owner short sale in a shorter period of time.

Other homeowner benefits for doing a short sale include:

- **A successful short sale stays on your credit for a shorter period of time. (2 years for a short sale ... 7 years for a foreclosure, or deed in lieu of foreclosure)**
- **Your credit scores are impacted less with a short sale. Credit scores are affected approx. 80 points with a short sale Where typically a foreclosure or deed in lieu of foreclosure may affect your credit by as much as 150 points.**
- **Because you can re-establish your credit more quickly, you can then be able to make large credit purchases, such as an auto, or house purchase that much sooner.**



The Tom Lyons Real Estate team is an experienced real estate team that handles dozens of short sale each year.

We offer you:

- **A team of experienced real estate professionals to help with your short sale at no charge to you. That's correct. If your short sale is successful, the bank pays all realtor fees. You the homeowner pay nothing.**

Tom Lyons Real Estate Team

realestate@tomlyons.com

925-216-1105

Thank you!!