

FREQUENTLY ASKED QUESTIONS ABOUT

Short Sales

What is a “Short Sale”?

A short sale is when there is more debt owed on the property than the property’s value. In a loan default situation (pre-foreclosure), the creditor(s) may be willing to agree to allow the property to be sold for less than the loan amount and/or accept less than (or “Short”) the amount owed releasing the lien and reporting the debt as paid.



How Long Will I Have to Wait to Close on a Short Sale Home?

The answer to that depends on many factors (lender timelines, number of lenders involved, etc.) so each case is different. We usually tend to tell our clients to expect at least 90 days from when our offer is submitted to the bank to actually close on the home. Therefore, if you need to get into your home in a time specific period, please let us know. We won’t necessarily avoid showing you any short sales, but we will prequalify the listing agent of a short sale before showing you a property to see how their time-frames fit into your needs.

Can I Put Offers on Multiple Short Sale Properties?

We do not recommend it. You need to show the seller and the bank that you are a serious and committed buyer of the property. Remember these sellers are facing foreclosure on their home and are under time limits. If you are not 100% committed to buying the home, we should step aside for someone who is committed.

REALIZE THERE ARE SOME KEY DIFFERENCES Between a Short Sale vs. a “Normal” Resale Purchase

Short sales have some key differences than a normal residential real estate transaction. Make sure you know what you are getting into before you write an offer!

A Short Sale:

- Contract will require BOTH the seller and the seller’s lender(s) approval
- Is sold AS-IS (Seller does not agree to make any repairs)
- Can be time consuming - it can take weeks or months for a response to your offer
- Has no guarantee that the seller’s lender(s) will agree to your offer
- Will require a short sale addendum to be included with your offer



The Benefits of Buying a Short Sale:

- Motivated sellers
- Home may be located where you want to live
- Property disclosures available
- Most often in better condition than most bank owned properties
- You could possibly buy your dream home under market value

Are You a Good Candidate To Buy a Short Sale?



YES! If you:

- Don't have a home to sell
- Are willing to be patient
- Don't need a home immediately
- Are not looking for an investment property for a 1031 exchange
- Can afford to make any necessary repairs or improvements needed
- Don't require large closing cost contributions
- Are prepared for a rejection to your offer or a counter offer proposal based on seller’s lender requirements

Willing to Try?

Call Us and

We'll Start Looking!



**Penny's
Team**

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