

Short Sale Info

Possible Definition:

The term "Short Sale" is a Pre-foreclosure... where the sellers have gotten or are in the process of getting permission from their lender to sell for less than their mortgage balance.

Possible Limitations:

ASKING Price is just an estimate of what the lender will accept unless otherwise noted as the minimum contract price.

Sellers can not choose to accept an offer...only their lender can.

Sellers usually can not pay any of buyers costs: cannot roll closing costs in....

some exceptions may be with FHA non-allowables...etc...

Sellers can not be asked to do anything; repairs,etc, (minor exceptions)

Sellers lender reserves the right to reject or change offer at any tim

Buyers can not negotiate price...BUT...may be able to make AN OFFER.

Buyers must be fully approved prior to submitting offer.

Buyers offer may sit for ANY length of time until lender chooses to review it.

Buyers & Sellers must understand that it may take weeks or months for the lender to "accept" an offer & then they will not give any guarantees of allowing the transaction to close!

Buyers may have already paid and received inspection before lender even accepts offer.

ANYTHING may go wrong.

Possible problems:

Price changes (up usually..although we have had them go down!)

ANYTHING MAY GO WRONG

Seller may receive a 1099-C from the lender. Seller should see an accountant.

Sellers _____ print _____

Sellers _____ print _____

Buyers _____ print _____

Buyers _____ print _____