

# **AZ REAL ESTATE** **concepts**

"Your Key to Real Estate Solutions"

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## **Short Sale frequently asked questions.....**

- **What is a short sale?**  
When a house is sold for less than the amount owed to the lender.
- **How do I qualify for a short sale?**  
Inability to pay for a mortgage due to financial hardship caused by illness, job loss, job transfer, divorce, disability.
- **Why is a short sale a viable option for the seller?**  
It can be reported to the credit bureaus as a paid in full settled account and is therefore less damaging than a foreclosure.
- **Why would a lender agree to a short sale?**  
On average, the bank loses approximately 20% on a short sale vs 40% on a foreclosure.
- **What is the difference between a foreclosure and a short sale?**  
A foreclosure is a court action. The bank takes your home. A short sale is a negotiated agreement with the bank – you hire a Realtor to sell your home to a buyer and negotiate the settlement with the lender.
- **How does the short sale process work?**  
Lenders require a package from the homeowner. We submit the package along with a purchase offer. Then we negotiate with the bank to accept the offer and **stop the foreclosure**. Once we have approval, we close in about 30 days.
- **How long does it take?**  
As much as 60 to 120 days. **The owner can remain in the house until the short sale is complete.**
- **Will the bank seek to recover the amount of loss?**  
No. A short sale is an agreement between both parties to settle the mortgage debt.
- **Are there tax liabilities?**  
No. Not regarding a personal residence. Call for more information on investment properties.
- **Will a Short Sale impact my credit?**  
Late payments do negatively impact your credit score. Fortunately, a short sale will show up as a PAID account.
- **How soon can I buy a home again?**  
Depending on the rest of your credit history, it could take up to 2 years or less.
- **Does the Seller need to be behind in payments to do a short sale?**  
Not necessarily. Any legitimate foreseeable financial hardship is typically acceptable.

**EACH SITUATION IS DIFFERENT.**

**WE WILL BE GLAD TO REVIEW AND ANALYZE YOUR SITUATION.**

**THERE IS NO COST TO YOU FOR OUR SERVICE.**

**Time is of essence! We need you to give us as much time as possible to help you.**

