



Marianne & Morgan
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What is a short sale?

A short sale happens when a seller - with permission from their mortgage lender - agrees to accept less for their home than what is currently owed on the mortgage(s).

Who are the parties involved in a short sale?

When you make an offer on a short sale, you negotiate the contract with the seller. Once the buyer and seller have agreed on a sales price and other contract terms, the seller's mortgage company must approve the contract.

What is the time frame involved in negotiating and closing a short sale?

Here is where the frustrating part of many short sale transactions begins. Once the contract between the buyer and seller is submitted to the mortgage lender, it can literally take months before the transaction is approved.

The best short sale transactions involve mortgages held by local banks. Unfortunately, most mortgages are held by large national banks. These large banks do not move quickly. We have had contracts sit for months without any contact from the mortgage holder.

What are the risks involved with purchasing a short sale?

Because the mortgage holder is ultimately in control of the transaction, they generally sell the property as is. Many times buyers spend hundreds of dollars on inspections only to find out that the mortgage holder will not correct any deficiencies (no matter how serious) *OR* make any adjustments to the contract sales price to cover the cost of necessary repairs.

It is virtually impossible to close on a short sale transaction when using FHA financing.

SHORT SALE TRANSACTIONS ARE BEST LEFT TO INVESTORS WITH NO TIME CONSTRAINTS AND CASH BUYERS WILLING TO ACCEPT A PROPERTY AS IS.