SHORT SALES

The Mortgage Forgiveness Debt Relief Act will expire at the end of 2013. It’s probable that this law will not be extended into 2014. If you are upside down on your mortgage, I urge you to talk to an accountant about how you might be affected and what your options are.

SHORT SALES are an option that a lot of people have not considered, but there are some valid reasons for many people to participate in one. A short sale will reflect differently on your credit report from a Foreclosure or Deed in Lieu and in many cases allow you to borrow money again a lot sooner. Also, some banks have been offering cash “incentives” to homeowners to cooperate in a short sale. Sometimes as much as $30,000-$35,000, depending on the debt. I recently attended a webinar where they talked about some pretty big changes happening in some of the larger banks. If you are a Bank of America customer for example, you might want to check with them about what incentives might be available to you in a short sale. I understand that have been rolling out an entirely new short sale program during the month of July. I also know that Chase has been offering incentives and actively pushing the short sale alternative to their customers who are underwater for quite some time. It’s definitely worth considering and may well be the smart way to go for many people.

I am not claiming to be an expert in short sales, but I have SUCCESSFULLY CLOSED a number of short sales over the past couple of years and am becoming more and more familiar with the process and the pitfalls all the time. I take advantage of every opportunity to get information, attend webinars, and talk with lenders about the short sale process. It’s not an easy process to go through and many Realtors shy away from showing short sale properties just because of all the difficulties involved. One thing I have learned, however, is THE BURDEN OF A SUCCESSFUL SHORT SALE falls upon the shoulders of two people: The Homeowners themselves and their Listing Agent. Many documents need to be gathered by the Homeowner and submitted in a timely manner and they must trust their Realtor enough to allow that person to work on their behalf, have total access to their financial information, and be in direct contact with the lender. The LISTING AGENT has to be diligent with follow up and constantly monitoring the status of the short sale and respond quickly with required documents and information in order to be successful. It’s all about follow up and diligence. Nobody gets a vacation during this process (except for the people who work for the bank, of course). LOL The bank wants what they want when they want it and if it is not submitted quickly, the whole sale can be rejected for “failure to supply documents.” But, the good news is – if you have an agent who understands the importance of communication and follow up and if you are willing to supply the necessary documents in a timely manner, your chances are greatly enhanced. You may not have to spend 9 months in the process. I have actually closed a couple within 2 months of our start date. With the lenders showing a new motivation to work with short sales, what used to take several months might now take significantly less time to process.

If, after you discuss your situation with an accountant, a short sale seems to be an advisable thing for you, PLEASE LET ME BE OF SERVICE. I am willing to do the work and am spending enough time on these now that I feel I am getting a fairly good grasp on what needs to happen and how to approach it. Feel free to call me any time if you have questions on this subject. I’ll be happy to share what I know.

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