

SHORT SALE TIPS

Short Sale Negotiations Don't Stop The Foreclosure

Short sales continue to generate many questions for Sales Associates as well as their clients. Please review this memo carefully.

Loan modification and short sale negotiations do not stop foreclosures. The mere fact that the Lender or Servicing Agent is negotiating with the owner, the owner's real estate agent, the owner's attorney, or anyone else, is irrelevant to the foreclosure process. Any agreement to halt or delay the foreclosure must be in writing; or the Seller could take judicial action (such as filing for Bankruptcy) to stop the foreclosure from proceeding. However, that is something the Seller must debate with their lawyer.

Whether we represent the Buyer or the Seller, they need to keep track of the status of the foreclosure process.

In fact, a status review of the property liens, encumbrances, notices of default, trustee sale and ownership is an excellent practice in every transaction. For example, review status before listing a property for sale, before writing an offer to purchase, before a lease listing agreement is signed, or before writing a lease offer on behalf of a tenant.

One final tip; As early as possible determine whether or not there may be additional liens. Last minute issues such as state and federal tax liens and other "unattached liens" can delay or completely derail a transaction.

Remember: "Nobody likes surprises" - a terrific guiding principle!

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