



*Bluestone Signature*  
R E A L T Y

845-604-1201 | SALES@BLUESTONESIGNATUREREALTY.COM



WWW.BLUESTONESIGNATUREREALTY.COM

# Short Sale

WHAT IT MEANS FOR YOU AND YOUR FUTURE

HOW TO NICE

# meet you

If you've fallen behind on your mortgage payments, the threat of foreclosure can become overwhelming.


Struggling homeowners might feel inclined to simply accept their fate—there's no getting out of foreclosure, right? But when it comes to mortgage foreclosure, remember that you have options.

Understanding those options and what you can do if your house is in foreclosure can help you mitigate the damage done to your credit and overall financial health. It might even help you take action to keep your home. We've gathered some general information regarding foreclosures to help you get an idea of how it works. State laws vary significantly, so work with a legal professional to determine the laws governing your foreclosure proceedings.

Our goal is to help educate and guide you through this process as best we can. I know this might be an uncertain time, however, know that we are here for you.

*J. Krystal Rivera*

REAL ESTATE BROKER & OWNER

 845-604-1201

 SALES@BLUESTONESIGNATUREREALTY.COM

 WWW.BLUESTONESIGNATUREREALTY.COM



"I believe in  
creative  
expression,  
experimentation  
and empathy"

# If You Owe

MORE ON YOUR  
HOME THAN IT'S  
WORTH, CONSIDER  
THIS...

You may have a great financial opportunity right in front of you

Do not think you have reached the end of the road with your home

The current economic climate has created an environment where millions in your situation can receive help



# YOU'RE NOT ALONE

"In America today 1 in every 4 homeowners who have a mortgage owe more on their house than THEIR HOME IS WORTH..."

- Avoid foreclosure
- Set up a more solid financial future



# section one

WHAT IS A SHORT SALE



# WHAT IS A SHORT SALE?



A "short sale" means selling your home voluntarily for less than its market value, or less than owed to the lender.



Very often, a "short sale" is the smart alternative to foreclosure and bankruptcy.

There is a **MAJOR** difference between a standard resale and a short sale. If the lender accepts the terms of the short sale, the loan debt will be settled and the borrower is released from any further liability once the short sale has closed. In a sense, a short sale could be the most important financial decision you'll make for your future! Why? Because it could allow the home seller to:

- Avoid foreclosure
- Set up a more solid financial future



# section two

STEPS TO A SHORT SALE





# SHORT SALE IS A 2-PART TRANSACTION

## *PART 1: THE NEGOTIATION*

**It all starts with your lender (bank) and lien holders**

- For them to accept a reduced amount to satisfy your obligation in full.
- To receive complete forgiveness of your mortgage without a deficiency judgment.
- To get you PAID relocation money at closing.





# SHORT SALE IS A 2-PART TRANSACTION

## *PART 2: THE SALE*

of your house...

- Based on your unique circumstances, your home will need to be properly priced and listed in order to sell.
- Next, the home will need to be marketed in order to attract the most qualified and motivated buyers.
- Finally, you and any lien holders will be presented all offers so that your home can get sold.



# Qualifying FOR A SHORT SALE

To understand if your circumstances qualify you for a short sale, answer these questions:

- Do you owe more on your home than it's currently worth?
- Do you have a hardship that makes your mortgage payments difficult or impossible to afford?
- The bank will want to see your income and your assets.
- The lender will also perform an appraisal or BPO and evaluate your hardship before they make their decision.



# Short Sale Myths

FALSE

BANKS DO NOT WANT TO AGREE

FALSE

BANKS ARE NOT COOPERATIVE

FALSE

I CAN JUST WALK AWAY

TRUE

THERE ARE MANY POSITIVE OPTIONS  
FOR MY CIRCUMSTANCES

# section three

SHORT SALE OPTIONS



# HOW TO Avoid Short Sale

It's crucially important to avoid the negative consequences of a foreclosure sale. Here are some reasons why a homeowner who may have fallen behind on their mortgage payments or is struggling to pay their mortgage would want to seek out a short sale as an alternative to foreclosure:

## AVOIDING FORECLOSURE

---

- Avoiding judgment(s) for tens or even hundreds of thousands of dollars.
- Avoiding bankruptcy (the only way to stop collection of judgement).
- Involuntary relocation
- Extended negative credit
- Embarrassing public advertisement
- Delay in re-establishing yourself as a homeowner (some newer loan programs provide the opportunity to get a new mortgage within 2 years of completing a short sale).
- Loss of possible financial opportunities available through the government programs and/or banks offering relocation funds.

## SOLUTIONS TO A FORECLOSURE

---

Our Goal is to avoid  
Foreclosure And...

- Bankruptcy
- Minimize Taxes Owed
- Re-establish Credit

## REASONS TO AVOID FORECLOSURE

---

- A Foreclosure will result in you owing thousands of dollars.
- A Foreclosure will turn into a judgment for the money owed, compounded with additional costs
- The only path to remove the judgment is bankruptcy.
- The most important goal is to avoid a deficiency judgment.

## YOU HAVE OPTIONS

---



Wait to foreclose and get kicked out of your home



Obtain Short Sale Approval

If approved, lender may pay the following fees...

- Relocation Assistance
- Attorney Fees
- Realtor commission fees

The background features a light-colored wall with a wooden shelf. On the shelf, there is a white ceramic vase with a geometric pattern and a framed piece of dried eucalyptus leaves. The text is overlaid on a light gray rectangular area.

# section four

SHORT SALE  
VS  
FORECLOSURE

# SHORT SALE VS. FORECLOSURE

- Short Sale is a voluntary action, Foreclosure is involuntary.
- With a Short Sale you can end up owing nothing, while with a foreclosure you can owe thousands upon thousands of dollars.
- Short Sale is a ***negotiation***, while Foreclosure is ***litigation***.
- Short sale you may get paid, with a Foreclosure you will receive \$0.
- Short Sale causes less credit damage and shows fiscal responsibility, while Foreclosure only reflects the negative.

## WHAT ARE SOME SHORT SALE BENEFITS?

- With a Short Sale, you may possibly be back on track to homeownership in 2 years, while with Foreclosure this may take much longer.
- With a Short Sale, you are more likely to stay in control of your life.
- Short Sales are not a matter of public record.
- Short Sale will help you avoid bankruptcy and save on income taxes.



The background of the page is a photograph of a wooden shelf. On the shelf sits a white ceramic vase with a geometric, maze-like pattern. Behind the vase is a framed botanical print showing a leafy branch. To the right of the vase, there are several green eucalyptus-like branches with round leaves. The entire scene is set against a light-colored wall.

# section four

TAKING THE FIRST STEP



# TAKING THE FIRST STEP

I may be able to help you stop the foreclosure action today. I can help you list your home, which in itself will let your lender, the bank, know that you are being proactive.

## THIS IS YOUR OPPORTUNITY TO START ANEW

---

### AS YOUR SHORT SALE SPECIALIST, I WILL:

- Market your home for an expedient sale.
- Work with third parties to get the Bank/your lender to accept less than is owed on the mortgage.
- Do my best to make sure you are judgment- free.
- Try to get you paid! Lenders will consider paying relocation funds to help you on to a better tomorrow, and I will do my absolute best to make sure this is achieved for you.

### KEY SERVICES I WILL PROVIDE

- Work directly with you and negotiate with your bank and lien holders to achieve you the best outcome possible.
- Within 48 hours of listing your property establish contact with the bank(s) and lien holders and start the process, even before your home is sold.
- Advise you of all documents needed to successfully qualify for a short sale.
- Act as a liaison with your bank and lien holders.
- Walk you through the whole process every step of the way, from listing your home straight through to closing!

### LIST PRICE DOESN'T MATTER... TO YOU.

## *Why?*

Remember: **if the bank agrees** to waive the money you owe on your home's mortgage, your home's actual sales price means literally nothing to you, it means something only to the lender.



# section four

COMMON QUESTIONS

# Common Questions

1 /

## **WHEN CAN I EXPECT TO CLOSE?**

Typically, you can still expect to spend anywhere from a minimum of sixty days to close with the average well over ninety. It is not out of the question for a difficult short sale deal to take longer than six months, or more.

2 /

## **DO I NEED TO BE DELINQUENT ON PAYMENTS TO QUALIFY FOR A SHORT SALE?**

Not necessarily. Some lenders may permit a short sale with no delinquency, however, in most cases lenders will be less willing to settle if the loan is current. Lender requirements vary, your attorney will help you determine what they are.

3 /

## **CAN I LIST MY HOME AS A SHORT SALE WITHOUT ADVISING THE LENDER?**

No, an approval is required by the lender or bank. Not every short sale will close. There are many factors that can prevent a short sale from occurring. Because there are multiple parties involved with a short sale - typically 3 at minimum, which include the mortgage servicer, the investor and mortgage insurance company, as well as the buyer and seller - any of them can dictate terms or disagree with a pending sale agreement.

# Common Questions

4 /

## WHY IS A SHORT SALE A BETTER ALTERNATIVE TO FORECLOSURE?

Short sales often give a homeowner the opportunity to allow the property to be sold for less than the current value with the intent of the loss being less than what they would face with foreclosure.

Because the owner is usually behind on their payments, they're also underwater or upside-down on the property. With a short sale, the value of the property is less than what is currently owed. The seller is unable to profit from a short sale, and cannot sell to a family member. ***And a short sale does not affect your credit rating as long as a foreclosure would.***

Foreclosures give the owner an opportunity to bring their payments current. However, if they are unable to meet the requirements, they will lose all legal and equitable interest in the property. When this occurs, the property is then turned over to the bank.

5 /

## WILL A SHORT SALE IMPACT MY CREDIT LESS THAN FORECLOSURE?

In most cases, the answer is yes, a short sale will have less of a negative impact on your credit rating than a foreclosure would. A short sale would likely reduce a FICO Score 100 to 200 points, whereas a foreclosure or deed-in-lieu of foreclosure will tarnish a seller's credit score from 200 to possibly upwards of 300 points. Consult with your attorney and a mortgage lender.

6 /

## AFTER A SHORT SALE, WHEN CAN I PURCHASE A NEW HOME?

According to Fannie Mae and Freddie Mac guidelines, it is possible to obtain a conventional loan within 2 years of a short sale, or up to 5 years after a foreclosure. Consult with your attorney and a mortgage lender.



*Bluestone Signature*  
R E A L T Y

845-604-1201 | SALES@BLUESTONESIGNATUREREALTY.COM



## FINAL THOUGHTS

We would love to work with you, please reach out if you have any questions.

# J. KRYSTAL RIVERA

REAL ESTATE BROKER & OWNER

[WWW.BLUESTONESIGNATUREREALTY.COM](http://WWW.BLUESTONESIGNATUREREALTY.COM)



*thank you!*