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**Are you behind on your mortgage payments? Do you owe more than your home is worth?
The lender does NOT want your House. The lender does NOT want to foreclose. Foreclosure is expensive & time consuming**

A SHORT SALE COULD BE THE ANSWER!

- Behind in payments - Job Loss - Divorce - Medical Expenses - No Equity - Can't afford the cost of selling your home

Call 800-270-4119 or email shortsales@eliteestatesrealty.us

OPTIONS

We will discuss all of the following with you.

Reinstatement (bringing your loan current): Reinstatement occurs when the loan is brought current by paying the total amount past due.

Repayment plan: A repayment plan is an agreement to bring the mortgage current over time.

Redemption: Redemption is the act of paying off your loan in full.

Refinance: It may be possible for you to avoid foreclosure by refinancing your mortgage, but be realistic about your chances for a refinance and your ability to pay on the new loan, before you pay money to apply for one.

Short Sale: When you obtain a buyer for your property but where the amount that will be received from closing is not enough to pay off your loan(s) in full. The lender agrees to release the lien(s) on the property while taking less than the full amount due.

Loan Modification: A loan modification refers to changing the terms of your loan. These changes may include extending the terms of the mortgage, adding delinquency to the mortgage amount or reducing or fixing your interest rate.

Bankruptcy: Filing bankruptcy will stop the foreclosure case. A Chapter 7 bankruptcy will eliminate your personal liability on your debts including the Note; however, your lender can still foreclose the mortgage. A Chapter 13 bankruptcy is a type of forced payment plan. A bankruptcy can be filed anytime before a foreclosure sale.

Deed-in-Lieu of Foreclosure: A deed in lieu of foreclosure is a surrendering of the property to your lender in full satisfaction of the amount owed. By accepting the deed, the lender releases you from personal liability on the loan. A deed-in-lieu can only be done when you have one mortgage on the property or multiple with the same lender. If you have a second with a different lender than the first, you can't do a deed-in-lieu.

Foreclosure can be an extremely stressful situation to deal with alone. We can help. We want to help you find the best possible solution to get back on your feet. What we offer is an alternative to foreclosure to help your credit, your finances, and your piece of mind. Your situation may not be as impossible as it seems. The difficulty of the situation for you right now is completely

understandable and there is indeed light at the end of the tunnel. Thousands of good people just like you have found themselves in similar situations. The solution many of them chose was Us!

Because of the documentation required and countless hours of negotiations that ultimately have no guaranteed results, the short sale process can be lengthy and is typically avoided by the majority of other real estate firms. Our unique blend of real estate, mortgage, and specialty finance knowledge creates a synergy that makes us South Florida's sale experts. Where other agencies and brokers fall short, we excel. With regards to the complexity of the short sale process, you must be educated. If you are considering a short sale feel free to ask us any questions you may have. The more educated you are on the process, the easier the transaction will be.

WHAT IS A SHORT SALE

When the amount owed on a property is greater than the actual value and the lender agrees to forgive the difference to avoid foreclosure. The reason homeowners are in this situation include:

1. Unexpected hardship - Job loss, change in income, divorce, increased debt, family emergencies, etc.
2. Creative mortgage financing - ARM and/or payment adjustment, deferred interest program (option ARM), 100% financing, purchase money, subprime mortgage, 40/50 year mortgages, etc.
3. Market conditions - Values decreasing, no equity, speculators, flippers.

We will list and market your property, work with an affiliated law firm to negotiate a short sale with your lender, find a buyer for your home, and ultimately sell your home and allow you to move on with your life. Our main goal is to help you walk away free and clear and put this difficult time in the past.

Many people on the verge of financial distress tend to procrastinate until the threat reaches epic proportions. The earlier and more time allows increases the chances of a beneficial outcome. While you may think you have no choice, other than staying in your house and letting the bank foreclose, YOU DO HAVE A CHOICE. Another real estate agent may have told you that there was nothing he or she could do to help. The opposite is true WE CAN HELP. We our affiliations, we can help you negotiate a short payoff arrangement with your lender(s). We can help owners who are in default or on the brink, or have little or no equity, yet need to sell and walk away with credit intact. Our process begins by offering your property for sale on the open market which is less than or close to what is owed against it. Sounds easy, but it can be complicated and difficult. Our team can guide you through the nightmare of the lenders paperwork.

THE SHORT SALE PROCESS

The short sale process can vary, but it will generally work as follows:

- 1) Meet with a listing specialist to determine if a short sale is the right decision for your families needs.
- 2) Execute a listing agreement and put your property on the MLS and discuss sale strategies. A client authorization is executed with your affiliate so we can negotiate with the lender. We also discuss exit strategies for when the property is sold. Note: If you already have an executed contract to purchase your contract, some of the steps will be eliminated and we will immediately focus on obtaining %short sale+approval.
- 3) A representative will contact your bank/lender to determine the requirements for a short sale. Since we have built relationships with many lenders we often have the requirements on hand.
- 4) The lender requirements are given to you so you can begin to gather documentation.
- 5) We receive an offer from a buyer to purchase the property.
- 6) We put the short sale package together for the lender including all required documentation and a purchase contract.
- 7) Once the lender receives the full package they will order a Broker Price Opinion (BPO) or a full appraisal.
- 8) When the BPO or appraisal comes back the bank will either accept the short sale or begin negotiations with our team of experts to determine the best solution to get the short sale transaction accepted.
- 9) One of two things will happen:
 - a) The bank approves the short sale and we proceed to close as quickly as possible.
 - b) The bank gives us a value they would be willing to accept and we counter offer the buyer at a higher price. We then further research comparables, etc. in order to ensure the banks analysis is not flawed. If it is, we explain the flaws hoping to receive an

approval at that time. If not, we relay the offer to the buyer and the buyer will either accept, counter-offer or we will put the property back on the market at the requested price.

10) Upon lender approval, an escrow type period will begin and before long the property is sold.

11) We then help you with the previously determined exit strategy. Most of our clients decide to rent after a short sale but we would be happy to help you no matter what your decision may be.

SELLER CHECKLIST

In order to start the Short Sale (Loss Mitigation) Process the following documents is needed:

Loan Statements
Contract
Sellers Agreement . Listing and Short Sale Agreement, etc.
Bank Release Authorization
Hardship Letter
Two months of Bank Statements
Two months of Pay Stubs
Two Years of Tax Returns forms (1040's)
Personal Financial Statement
3 Active and 3 Closed Sales Comparables, if available
Other materials required by your specific lender

FREQUENTLY ASKED QUESTIONS

What is a real estate short sale?

A real estate short sale is when you owe more than your property's current value but you need to sell. In a typical real estate transaction, your mortgage lenders would require you to come in with the difference in the amount owed. In the case of a short sale, we negotiate with your lenders to accept a pay-off that is less than the amount you currently owe and you do not have to pay the difference.

How much will this cost?

Since the majority of people facing foreclosure do not have the necessary funds available to pay for typical real estate transaction fees, all of our services will be paid directly by your lender or real estate agent.

What is required for a real estate short sale?

In order for us to get a real estate short sale accepted for you, if your home is not already listed, we first must list your home for sale. During the listing period, you will need to provide the following documents to us so that we may package a real estate short sale request to your existing mortgage lenders. Each lender has unique requirements but the following items are almost always requested.

Please gather the following:

- Last two years W-2's or tax returns if self-employed
- Most recent two months of paystubs or current Profit and Loss (P&L) if self-employed
- Most recent two months of bank statements for checking/savings accounts
- Current mortgage statement or payment coupons for all existing mortgages
- Hardship letter explaining your situation and need to sell

With these documents we create a package and submit it to the appropriate department with your lender once we have an accepted purchase offer for your home.

Who can qualify for a real estate short sale?

There are multiple reasons why a mortgage lender will accept a real estate short sale. For one, if your financial situation has changed and you are currently making less money than before you most likely qualify for a real estate short sale. Second, if you have more money going out each month than you have coming in, you are a qualified short sale candidate. Lastly, everyone's situation is unique and the lenders will take all short sales into consideration. The hardship letter usually outlines the reason for your short sale request.

How will a short sale affect my credit?

There are no assurances as all lenders have their own guidelines and no one knows how lenders in the future will consider foreclosures and short sales that occur today. However, what typically happens is the loan will show up as "paid" on your credit report; however there can be a notation that says "settled for less than originally owed." This is much more favorable than having a foreclosure on your credit report. In addition, the bank/lender reserves the right to add a deficiency judgment to your credit report for the discounted amount. We attempt to get the lender to agree to "payment in full without pursuit of any deficiency judgment." Please do not postpone the inevitable and wait until you are close to foreclosure. The best way to preserve your credit is to act quickly. Your credit will not be affected as much if we can successfully complete a short sale within the time frame of a couple missed mortgage payments.

How will a short sale affect my taxes?

It will be necessary to receive counsel from a tax advisor. However, according to the IRS, if you have reached a compromise or settlement with a creditor/lender agreeing to release you from any further obligations regarding the repayment of a debt, a creditor/lender may report this as "cancellation of debt" income. Your lender may choose to "write off" all or part of the debt it claims that you owe, and report it as a tax loss to the IRS using a 1099-C.

While the law continues to change and an opinion from a tax advisor will be necessary, the IRS recognizes some situations where a cancelled debt may not have to be reported as income.

1. Insolvency - your total debts exceed your total assets at the time your debt was settled or deemed non-collectable. If you are insolvent, you must inform the IRS by completing IRS Form 982: Reduction of Tax Attributes Due to Discharge of Indebtedness and include with your individual tax return in the year you receive the form 1099-C.
2. Bankruptcy - the debt was already discharged through a bankruptcy proceeding.
3. Primary Residence Waiver . in certain instances, a recent statute change allows short sellers of property deemed their primary residence to avoid reporting the 1099 income.
4. Indebtedness due to certain real property business losses.
5. Indebtedness due to a qualified farm expense
6. Discharge of your debt was treated as a gift.

NOTE: This information is provided for your information only and is not intended to be a tax or legal opinion. You will need to confirm the implications of debt discharge with your tax advisor.

Contact Us

If you owe more than your home is worth and you need to sell your home, please contact us regarding our short sale services. Contact us with any questions by phone at 561-706-6928 or email shortsales@eliteestatesrealty.us.

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