

A Short Sale is a pre-foreclosure. Simply, the seller owes more on the mortgage than the home will sell for. Once we receive an offer as close to market value as possible, we will present it to the bank for approval. Many times the bank would rather lose some money now to avoid losing a larger amount later if they have to foreclose.

Here is the process:

1. The seller completes a package of financial info, hardship letter, and hires an attorney to negotiate with the bank on their behalf. We also submit a current CMA to the bank to show current market value.
2. Once offers are received. The offer highest and closest to market value will be signed by the seller (**however it is still subject to bank approval**). The bank typically the Bank will NOT allow cash back for closing costs, so please do not put those in your offer or it will be usually be rejected.
3. We will then immediately submit your offer to the Bank.
4. Patience is key during this time. If your buyer can be patient, they will get a great deal! We promise, you will be the first one informed if we have any news at all. Try to resist the urge to call every day. Prepare your buyer to wait. It will be worth it.
5. **Typically it will take 7-30 days to receive a response from bank. (Usually some where in the middle)**
6. During this time, we will continue to market the property, and only accept BACKUP offers. Many times the first buyer backs out due to impatience (**this is why it is so important to educate your buyers on the process up front**) and one of the backup buyers gets the great deal. Remember, these are backup offers only. Even if they are higher than the original, we will not present them to the bank unless your buyer drops out.
7. The bank will send out appraisers during this period to make sure the offer is high enough. They might counter-offer the buyer for a few thousand more, and they might ask the agents to take a small commission cut.
8. Once the approval from the bank comes in, they will want to close as soon as possible - so be ready! Typically banks give us a deadline.
9. Immediately, the seller's attorney will generate a P&S. Please be ready to act quickly. Please have inspections ready. Once the P&S is done, and bank approves, they typically will NOT allow a price change for inspection items. The seller is financially absolved and will not be able to correct any items after an inspection. This typically will be an as-is purchase.

Good Luck and please be patient!