



# SHORT SALE

## WHAT YOU NEED TO KNOW

### What is a short sale?

A **short sale** occurs when a homeowner sells their home at its *fair market* value and the lender accepts the net sales proceeds as full satisfaction of the homeowner's mortgage. So, in addition to finding a buyer, you have to qualify for a short payoff with your lender.

### Qualifications for a short sale

To qualify for a short payoff of your mortgage with most banks, you must:

- be delinquent on your mortgage payments;
- owe more on your mortgage than your property is worth; and
- be unable to pay on your mortgage.

### Required paperwork

Most lenders will require the following minimum documentation:

- 1. Authorization to release information to your agent.** This document gives your lender permission to deal with and furnish your mortgage information to your real estate agent, the first step in negotiations with the lender.
- 2. A hardship letter.** This letter explains your inability to make further payments on the mortgage.
- 3. Recent pay stubs, bank statements and tax returns.** These documents confirm details in your hardship letter.
- 4. Proof of occupancy.** For example, a utility bill in your name at the property address proves it is your principal residence and not a rental property.

After your lender receives and reviews the completed documents, they will notify you whether they will consider a short payoff as full satisfaction of your mortgage.

These are just the basics: every short sale is different. Call me today and I can help you through the process!