

# Q & A's About A Short Sale

What is a short sale?

A "Short Sale" or "negotiated settlement" or "short pay" is when a Lender agrees to accept less than the amount owed to pay off a loan as an alternative to foreclosure. If the property is valued at less than the amount owed on the property, the Lender will take a loss on the property, even if they foreclose on it, thus Lenders are more willing to work with us to mitigate their losses quickly to reduce their potential loss.

How long will it take?

The Short Sale negotiation process can take as few as 10 days to as many as 3 or more months. It depends on how many files in the Loss Mitigation Dept. and how willing the Lender is to negotiate a settlement amount. It also depends on the number of loans and or liens on the property.

Can I stay in the house?

No, the key word is "SALE". The purpose of a Short Sale is to sell the property, usually to a third party. So you will have to move. This is not a process to stop the foreclosure and let you remain in the property indefinitely.

How soon should I look for another place to live?

You should probably begin looking for alternative housing immediately. Whether you move in with family or look for an apartment, it may take a while to find a location that matches your family needs. You will have to move whether we negotiate a successful Short Sale or if the property goes to Foreclosure Auction. Be prepared!

Will I get money from the sale of my property?

No. A universal requirement of Lenders granting a Short Sale is that the borrower will not get any proceeds from the sale of the property. The Lender is taking a loss on your loan — they are not going to let you get any money.

How do I know this will work?

There are no guarantees. We do not make a promise that we can reach a settlement with the Lender on your behalf. Once you missed the payment, the Lender is in charge and can proceed to foreclosure if they choose. Lenders often choose to work on a Short Sale instead of having to foreclose and possibly take ownership of a vacant house, as both are costly.

What happens if it doesn't work?

Your property will go to foreclosure and an auction will be held. If the Lender's price is not matched, then they take back the property as an REO (Real Estate Owned).

What do I say to friends and family when they see the auction of my property posted?

You can tell them that you are trying to sell your house because you fell upon bad times. This is the only way to save your credit and move forward with your life. Tell them you are working with Ambrose Properties NE to help you negotiate the sale of your house. REMEMBER— Bad things happen to good people!! Hold your head high and be proud that you had the courage to try and save your credit and face your situation head on. Not everyone can and will do that.

Will I have to pay off the remaining balance of my loan(s)?

You may. We try to negotiate with the Lenders so that they do not file a deficiency judgment against you. We can not guarantee that the Lender(s) will not file a deficiency. You may receive a 1099 for m. If you do, consult with a tax specialist or CPA.

Will the short sale affect my credit?

If we are successful in negotiating a settlement and no deficiency judgment is made, then your credit will easily be re-established. Continuing to pay your bills on time will help to improve your credit and you will soon be back on your feet and if you choose, can or may buy another property in the near future.

How can I help?

You can help Ambrose Properties NE by remaining in contact with us on a weekly basis. You can call the office Wed. through Fri. , after 4 PM is best, for an update on your property. Please notify us when you receive documents from the Lender's attorney regarding the Civil Relief letter and the Auction Date. OPEN ALL your mail. Not opening it doesn't make the situation go away! Call the office if you have any questions.