

# Short Sale and Foreclosure Properties

With the growing number of short sale and foreclosure properties on the market, many people are hunting for bargains and hoping not to run into hurdles along the way.

While bargains are out there, obstacles will almost certainly pop up along the way whenever attempting to buy a short sale of foreclosed properties. Banks often take weeks and even months to look at offers coming in from potential buyers. Some buyers never hear word back on the status of their offer, or some wait months only to be told that their offer was not accepted. Even after an offer is accepted, many transactions go to escrow companies who are overwhelmed with difficult files and it often takes longer to close. The underlying sentiment is this: these transactions are difficult, but they are far from impossible.

## *What is a Short Sale?*

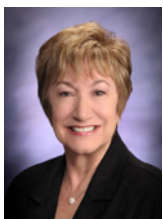
A short sale is a legally-binding agreement to allow a home to be sold for less than the amount that is owed. And, while short sales are not by any means easy, because of increasing inventory levels and foreclosures in some parts of the country, lenders are much more eager to negotiate with borrowers who are having trouble paying their mortgages. For potential home buyers and real estate investors, a short sale also offers a great opportunity to purchase property at a significant discount.

## *What is a Foreclosure or REO Property?*

A foreclosure or REO property is a property that is owned by the bank, usually after they have foreclosed on the previous owner after they had gone into default.

There are a few things that you can do to give yourself an edge on buying short sale and foreclosed properties. It is pertinent that you get pre-approved. As a lender, we can provide your clients with a Pre-Approval Package for Short Sales and Foreclosures. This package not only includes a pre-approval letter for the borrower, but a copy of the Automated Underwriting Approval, Loan Application, Loan Transmittal Summary, Copy of Credit Report, Proof of Funds to Close, Copy of Paycheck Stubs, and Copy of W-2, all with personal information phone numbers and social security numbers blacked out for privacy. Giving copies of these documents to the bank gives them the security that the loan is prepared and that the borrowers are qualified, which can be the primary determining factor in getting the offer accepted. The bank may take a long time to look at the offer, but submitting this package is a good way to stand out when they do.

Please let us know if you have any questions about our Pre-Approval Package for Short Sales and Foreclosures, or any other financing information.



## **Rochelle J. Cox**

Sr. Loan Consultant

909.920.5260 x107

909.920.5255 Fax

Rochelle@HLCTeam.com

NMLS #249438

