

## Pursue a Short Sale

Through a short sale, the homeowner typically hires a real estate broker to find a buyer to purchase the home for its current market value, even if that value is less than the homeowner's unpaid mortgage loan balance (the full amount due and payable to the lender). The homeowner asks the lender to accept the final sales price amount as full payment of the mortgage loan because the price to be paid by the buyer is



consistent with the current market value of the home and, therefore, more than the lender would likely receive if the home were sold in foreclosure.

By accepting a short sale, the lender or its servicing agent saves all of the costs of foreclosure and avoids the risk of receiving a lower offer through the foreclosure sale or of the property decreasing in market value prior to the foreclosure sale. Additionally, the California legislature has eliminated in most cases the lender's ability to obtain a money judgment for claims for deficiency following a short sale of an owner-occupied home.

### ***Short Sale - Quick Tips***

- Because it takes time for a real estate broker to find an appropriate buyer, you should proceed to negotiate the terms of a short sale with your lender or its servicing agent before the lender records the NOD. However, some lenders or their servicing agents will decline