



## What is a Short Sale?

### Short Sale (shôrt sāl) — noun

an agreement with the lender(s) to accept less than the amount owed by a borrower when the property is sold to a third party

A short sale includes two unique events:

- Net Proceeds Loss — the net proceeds from the sale of the property insufficiently pay back the balance due on the loan(s)
- Lender Agreement — the lender(s) agrees to discharge the mortgage lien(s) and remaining obligations on the home in exchange for the short sale proceeds

### Who qualifies for a short sale?

The lender(s) must agree to accept less than the amount owed on the mortgage and may choose to accept a short sale when a homeowner can prove distress and financial hardship. The following may be cause for a lender to consider a short sale:

- Interest rate adjustment
- Loss of job
- Divorce
- Illness
- Death

### Why should a negotiator be used in a short sale transaction?

The negotiator evaluates all liens and determines qualification for the short sale, working with the real estate agent to obtain documentation needed for lender approval. The negotiator acquires an estimated HUD settlement statement reflecting all terms in the contract between the buyer and seller, updating documents and submitting them to the Loss Mitigation Department of the lender(s). A real estate agent may choose to work with a short sale negotiator to avoid direct lender contact, eliminate the mountain of paperwork needed for short sale approval, and save time that is better used focusing on client relationships. Additionally, using a negotiator allows the real estate agent to remain an advocate for their client without becoming entwined in the seller's sensitive and confidential financial information.



**Now, let's get started!**

**SSA**

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