



# NOT DOING A SHORT SALE?

5 THINGS THAT WILL MAKE YOU RECONSIDER

## 1. YOU WILL BE MOVING SOONER THAN YOU THINK:

Where homeowners were staying in their properties for 4 – 5 years, Judge Bailey with the Miami-Dade Circuit Court, has put the foreclosure process on the fast track pushing the foreclosure process to finalize sooner, which is now 6 months – 1 year.

## 2. YOU WILL BE RESPONSIBLE FOR PAYING THE CREDITORS BACK:

Once a foreclosure takes place and a judgment is filed against you, you are looking at 20 years of the judgment being attached to your name and all properties you own, including being recorded as a public record. At any point in time the creditor can collect and even garnish your wages - without warning or notice. Doing a Short Sale Allows you to Vacate the Judgment, dismissing the amount due.

## 3. A SHORT SALE CLOSED BEFORE DECEMBER 31, 2013 QUALIFIES YOU FOR MORTGAGE DEFICIENCY RELIEF:

Mortgage Deficiency Relief has been extended for one more year for primary residences. Closing before December 31, 2013 will allow you to avoid being taxed (30%) on the difference of your judgment amount and the foreclosure sale price. For Example: You owe the bank \$500,000 for your mortgage and the property ends up selling at foreclosure for \$200,000, you are looking at paying the IRS \$90,000 in taxes.

## 4. BANKRUPTCY ONLY PROVIDES LIMITED PROTECTION:

Bankruptcy relieves personal obligation but not the obligation to the property. For example, if you are currently renting your property out and your tenant has company over and they fall and end up suing you – you can still be liable for damages. Also, if your tenant violates a city enforcement code, the cost of a code enforcement lien is \$50 per day until cured and payable by YOU; you may not know that you have a code enforcement lien until after the tenant vacates the property at the end of the lease. In addition, if you are considering to purchase in the future, Under their current guidelines (as of January 2011), the waiting period for a borrower to purchase another house after a short sale is only 2 years. The Fannie Mae waiting period to buy again after a foreclosure can be up to 7 years.

## 5. EMOTIONAL CLOSURE:

For a lot of homeowners, doing a short sale is mentally, emotionally and socially easier than allowing their property to go into foreclosure and prolonging the inevitable. Once the difficult decision is reached to do a short sale I have seen firsthand the positive visible effects on sellers. The burden is lifted, the clouds of stress pass and they are able to focus on their family, their relationships, their careers - and begin moving forward with a fresh start. It is important to ask yourself:

**A.** What action can you take to resolve this situation?

**B.** If you were successful and achieved this action, how would you feel?

**C.** Does the feeling you will have match the feeling you want to achieve, allowing you to make new plans and move on in life?

We understand the emotional complexity that our clients feel and we work closely with our clients to achieve a positive experience throughout the entire transaction.

