

# ARE YOU FACING FORECLOSURE?

## WE CAN HELP

Make it REAL™ with Alex Sanders

**Help IS available**, and we can help.

There are a variety of reasons Homeowners face foreclosure but luckily there are options available to avoid the impact of a Bank foreclosure. If you are lucky enough to have equity in your home, you can sell at a price that will let you pay off your mortgage and hopefully have money left over to walk away with at closing.

**But - Do you owe more than your home is worth?**

If the current market value of your home is less than the amount owing on the mortgage, the answer is a **Short Sale**. For a guide to Short Sales, click on the "Short Sales" button at the top of the page.

**There IS a way out.**

Let us help you find a Buyer, negotiate a short sale on your property with your mortgage company and you can walk away with your home **SOLD**, no foreclosure on your credit report and your head held high. Your home was sold, not foreclosed on.

**We bring Buyers and Sellers together for a mutual benefit.**

You help each other and we co-ordinate the whole process. Let us find you a Buyer, work with your mortgage lender to find out their requirements for a short sale, help you with the necessary paperwork and bring the sale to a successful conclusion.

**And it won't cost you anything!**

Mortgage companies understand that if Homeowners are having financial difficulties, they are in no position to pay commissions and other expenses on the sale of the home. We write the sales contract to protect you, to ensure that the mortgage company will pay **ALL** the Seller's usual closing costs, including Realtor commissions, state documentary stamps, title insurance, title company's fees and other expenses

### Why do they do this?

A foreclosure is a lengthy, expensive process and mortgage companies are looking for alternatives to end up owning a home they have to maintain, pay taxes on and maybe end up having to sell at auction for an unknown price.

### Are there any negative consequences?

If the Lender is "forgiving" you the difference between what they are receiving from the agreed upon Short Sale price and the balance you owe on the mortgage, there is a possibility of the Lender filing a deficiency judgment against you, basically suing you for the balance owed. The protection against this is to have the contract written so that if the Lender accepts the offer they agree not to pursue you in any way for any outstanding balances, pre payment penalties, late charges, interest and legal fees. We advise Sellers to consult with their own attorney before signing any contract.

### What about tax implications?

Until the passing into law of the Mortgage Forgiveness Debt Relief Act of 2007 Sellers of pre foreclosure properties faced the possibility of receiving a 1099 from their Lender for the "phantom income" forgiven on their mortgage. The new law removes that requirement, but only for a principal residence and with certain restrictions. Again, Sellers are strongly advised to discuss their tax status with a qualified accountant or tax attorney when they are facing foreclosure or considering a Short Sale.

### Credit implications

There are 2 main reasons to consider a Short Sale.

Firstly, a Short sale is quicker than a foreclosure and allows the Sellers to move on with their lives knowing the cloud is behind them and that their home was SOLD, not foreclosed on.

Secondly, the credit impact of a Short Sale is much less than that of a full foreclosure. It is estimated that a full foreclosure can impact a credit score by as much as 200-300 points and take 3-4 years to recover from whereas a Short Sale has a credit impact of

between 80-100 points which can be restored within 12 - 18 months of good credit management.

[Facing Foreclosure?](#)

PICK UP THE PHONE AND CALL ME NOW! THE CLOCK IS TICKING

**MAKE IT REAL!™ WITH ALEX SANDERS.**

**Real Service – Real Estate**

***Alex Sander, Realtor®***

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\*Each Office Independently Owned and Operated

**Disclaimer: The above is not intended to be a legal guide to foreclosures but is based solely on the writer's experience and education. Anyone facing foreclosure is strongly advised to seek the advice of an experienced Realtor, an Accountant and/or an Attorney.**