

# Information on FHA & VA Short Sales Programs (Published: 3/22/10)



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## **FHA Pre-Foreclosure Sale Program (PFS or Short Sale Program)**

If you own a home with a mortgage insured by the Federal Housing Administration (FHA) and you are finding it difficult to make your mortgage payments or you are in default on your mortgage payments, you may be able to take advantage of the FHA Pre-Foreclosure Sale (PFS) Program to sell your home at its current value and avoid foreclosure, even if the sales proceeds will not be enough to pay off your mortgage debt in full. This allows you to transition to more affordable housing while avoiding a foreclosure.

To participate in the program, homeowners must be willing to make a commitment to actively market their property for a period of 3 months, during which time their mortgage lender delays foreclosure action. Homeowners who successfully sell their property at near the present fair market value within the required time may receive a cash payment from FHA of up to \$1,000 to help the homeowner transition to more affordable housing arrangements. If the property does not sell, the homeowner can choose to deed the property to the mortgage lender (deed-in-lieu of foreclosure).

For more information about the FHA PFS Program contact the mortgage servicer collecting your monthly mortgage payments or go to the following FHA websites:

[FHA Website "Avoid Foreclosure"](#)

[FHA Mortgagee Letter 2008-43, "Pre-Foreclosure Sale \(PFS\) Program - Utilizing the PFS Loss Mitigation Option to Assist Families Facing Foreclosure"](#)

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## **VA Compromise Sale Program (Short Sale Program)**

If you own a home with a Veterans Administration (VA) guaranteed mortgage and you are finding it difficult to make your mortgage payments or you are in default on your mortgage payments, you may be able to take advantage of the VA Compromise Sale Program to sell your home at its current value and avoid foreclosure, even if the sales proceeds are not enough to pay off your mortgage debt in full. This allows you to transition to more affordable housing while avoiding foreclosure.

For more information about the VA Compromise Sale Program contact the mortgage servicer collecting your monthly mortgage payments or read the VA Roanoke Loan Center Compromise Sale Booklet below. This booklet provides comprehensive information borrowers should know about VA's Compromise Sale Program.

[VA's Compromise Loan Program](#)