

Top Four Foreclosure Questions and Answers

Foreclosures and short sales continue to be a force in the Los Angeles real estate market. The four most common questions, asked lately are...

1) How long does it take for the lender to take the home back in foreclosure?

The typical foreclosure timeline in California is just under four months, but in many instances it takes longer, sometimes more than two years.

2) Once the lender takes the home back in foreclosure, how long does the occupant have to vacate?

The lender (or new owner) cannot just change the locks on your door and kick you out. Typically the lender will attempt to make contact with the former owner and/or occupant and attempt to offer Cash for keys. Sometimes the lender will offer an amount of money (usually not more than \$5,000) as relocation assistance for the home owner to vacate in a specific period of time (perhaps two weeks). If the occupant and the lender can't come to terms, the eviction process will commence.

3) Are foreclosures and short sales the best bargains?

Most buyers purchasing their home today are looking for a "deal". Foreclosures and short sales are typically aggressively priced, often selling over asking price in multiple offer situations. Short sales and foreclosures are usually sold as is. In a typical real estate transaction the home seller may make concessions for (more major) defects discovered during the buyer's inspection. Although it is customary in Los Angeles County for the seller to provide section I termite completion, it is generally not paid for by the seller in short sales and sometimes not for foreclosures. Most homeowners in the long process of losing their home fail to perform proper routine maintenance. Remember when buying your home, you are purchasing your home, not just a piece of real estate. Don't buy a home because it is a good deal; purchase a home because you love it. The market is not appreciating and you may be in your new home for awhile, you want to love coming home to it.

4) Having a foreclosure or short sale reported on your credit will make it impossible for you to buy a home for a very long time.

If you have lost your home in a short sale or a foreclosure the first thing you need to do is to rebuild your credit. You may need to open credit cards secured by a savings account, but you must diligently and quickly start to increase that all important FICO score. According to Floyd Walters, owner of BWA Mortgage, you may be able to obtain a real estate mortgage 2-3 years after a short sale, and 3-5 years after a foreclosure.



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