



## 11 REASONS WHY BUYERS MAY NOT WANT TO BUY A SHORT SALE:

### 1. SELLERS PAID TOO MUCH-

If a home sold for \$500,000 a few years ago and is for sale now at \$400,000 that doesn't mean the buyer is picking up \$100,000 in equity. It more likely means the seller paid too much in a rising market and the market has now fallen. It means the seller has no equity.

### 2. SELLERS PAID TOO MUCH-

Some banks allowed borrowers to over-mortgage the home so the loan exceeds the value of the property. Some appraisers were pressured by banks to appraise at what the home owner wanted to borrow.

### 3. STRINGENT QUALIFICATIONS-

Sellers must prove hardship and submit evidence of the hardship. Some agents list homes as short sales without ever talking to the lenders so the short sale is not pre-qualified.

### 4. HOMES SELL AT MARKET VALUE-

A lender will insist on a CMA or a BPO, but if a lender believes a better price can be obtained by taking the property back in foreclosure the lender may hold out for a higher price. Lenders tend to accept short sales when the home is worth the short-sale price, which means market value

### 5. HOMES SELL "AS IS"-

Usually a lender will tell a buyer to purchase the home in its present condition and may not pay for repairs found on a home inspections, WDO inspection, roof certification or home warranty program.

### 6. LENGTH OF TIME TO CLOSE-

Depending on when the Notice of Default was filed and the lenders back-log of foreclosures, the buyer may wait anywhere from 2 weeks to 2 months to get a response on a purchase offer. If there is more than one loan on the property it will take longer.



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**7. LENDERS CAN CHANGE CONDITIONS-**

Some lenders reserve the right to renegotiate the terms of the short sale at the last minute. Lenders often have attorneys at their disposal to work renegotiations while many buyers do not.

**8. LENDERS DISCOUNT COMMISSION-**

Agents end up doing more than 2 to 3 times the work of a conventional transaction.

**9. HIGHER BUYER CLOSING COSTS-**

Because lenders will rarely pay for any extras like a solvent seller might do, the buyer may have to pay for them himself, including sometimes such items as transfer tax and some of the seller's closing costs.

**10. LOSE CONTROL OF THE TRANSACTION-**

A short sale home closing process takes an indefinite amount of time. The seller's lender calls the shots, not the buyer's lender. Simultaneous closings with another property probably won't happen.

**11. LITTLE SELLER MOTIVATION-**

When the seller discovers that the short sale effect on credit is identical to that of a foreclosure, there is little incentive for a seller to cooperate with a short sale. In many cases there is usually little or no benefit to a seller to consider a short sale offer and move out before the foreclosure is concluded.



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