

# Phoenix Real Estate- What Is A Short Sale?

A short sale is a transaction between a buyer and a home owner whereas the proceeds from the sale will be short of paying out the lienholder(s). Because property values dropped on average about 50% in an 18 month period here in the Phoenix area the overwhelming majority of home owners owe more than the value of their home. Unlike in Canadian jurisdictions, there are provisions in the USA for lienholders to approve of this kind of sale without completely jeopardizing the credit of the seller as would certainly be the case in a home owner's foreclosure situation . Once the seller approves the terms of the sale, it must then be submitted to the applicable lienholder (lender) for their approval. The lender(s) could potentially approve the sale as it is written, re-negotiate it or disapprove it.

Due to the huge backlog across the country that national short sale centres are having to deal with, this process is currently taking anywhere from 6 weeks to 4 months from seller acceptance until the lienholder either approves the sale, attempts to re-negotiate the sale price and/or it's terms or disapproves it altogether. When there is more than one lienholder on title the process gets a little more complicated and potentially lengthy and sometimes just doesn't get resolved. Each home that is offered as a short sale must be examined on it's own merits to determine if there is a good chance, a slim chance or a poor chance of coming together when contemplating placing an offer. Not everyone has the patience for this process or they could potentially worry about lost opportunities while they are waiting so many buyers will pursue other kind of offerings such as foreclosures, fix-n-flips being offered by investors and a comparatively smaller amount of regular every day types of sale.



Laurie Lavine has completed the necessary educational requirements for the CSSN designation which means Certified Short Sale Negotiator and has experience dealing with a variety of short sale situations. He will guide you through the consideration of this process and make recommendations to you so that you can make an educated decision in this regard.