



THIS HOME in Lakota Canyon Ranch is a short sale currently available in Lakota Canyon Ranch, on the golf course at Lakota Canyon. Price has been reduced to \$475,000 for this five bedroom, four bathroom, 5,000 square foot home. (Courtesy)

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lender for short sale consideration must include all income, assets, expenses and financial account information. Incomplete or inaccurate financial statements can cause a lender to reject the sale.

Sometimes, the seller walks away from a short sale free and clear. Sometimes the seller still owes money, especially when there is a second or third mortgage on the property. The same is true during a foreclosure; walking away from real estate debt doesn't mean the homeowner is no longer liable for that debt. Usually, it follows the borrower, unless he has successfully negotiated a solution.

The property under consideration must also be correctly valued. Lenders won't consider a low-ball offer that's significantly below the fair market value of the property. Every lender follows its own guidelines concerning acceptance of offers, but generally speaking, acceptable offers are within 10 to 15 percent of the fair market value, so it's important to get the fair market value of the property established correctly.

Because short sales can take so

long to get accepted, it's important that buyers who are looking at a short sale property be patient and stay in communication with their Realtor. If they're financing the property and lock in an interest rate, they should be prepared to extend the date. While buyers will probably get a good deal on a short sale transaction, they shouldn't expect to offer pennies on the dollar; the lenders want to remain in business, too and can't do that if they give away properties.

Usually, the buyers who can afford to wait while the short sale transaction grinds its way through the various lenders' procedures are real estate investors and first-time buyers. With the \$8,000 tax credit set to expire later this fall, buying property through a short sale transaction may be the best option for first-time buyers, especially if they're not in a hurry. Properties sold through a short sale may be in better condition than properties offered in a foreclosure, since the homeowner is often living in the home and committed to its upkeep until the sale is completed.

Tough times also mean times of great opportunity, and the best way to take advantage of the opportunity is to stay informed and knowledgeable.