



Foreclosure Avoidance Timelines

CERTIFIED DISTRESSED
PROPERTY EXPERT™

Date _____ Owner _____

Address _____

Prepared by _____

Foreclosure Process Facts for Our Market:

In _____, it takes an average of _____ days for the foreclosure sale to take place once a foreclosure is filed by the mortgage servicer or lender.

The average time it takes to short sale a home is _____ days for our market.

We have approximately _____ to market and short sale your home to put you on the path to financial stability.

Short Sale vs. Foreclosure:

	Short Sale	Foreclosure
Credit	Only late payments on the mortgage will show, and after sale, mortgage is normally reported as "paid as agreed," "paid as negotiated" or "settled." This can lower a credit score as little as 50 points if all other payments are being made.	Score may be lowered anywhere from 250 to over 300 points. Typically will affect score for over 3 years.
Ability to purchase home in future	In as little as 2-4 years for most loan types.	Typically 7 year wait period.
Ability to get a job in the future	A short sale is not reported on a credit report and is therefore not a challenge to employment.	Employers may have the right and are actively checking the credit regularly of all employees who are in sensitive positions. A foreclosure in many cases may be ground for immediate reassignment or termination.
Deficiency Judgment	A deficiency can usually be negotiated and waived.	In a foreclosure, the lender has the ability to retain the right to the amount owed for years to come.

Strategic Default:

What it is: This happens when homeowners intentionally stop paying their mortgage and are foreclosed upon even when they can afford the payments.

Why they do it: Strategic Defaulters believe that when they are foreclosed on they are relieved of an asset that is worth less than what they paid for it.

Why there's nothing strategic about "Strategic Default": the damage to credit takes a long time to repair and when the Mortgage Forgiveness Debt Relief Act is expired, the debt that the borrowers walked away from will count as income that they will have to pay taxes on.