

For a confidential review of your current situation, call Jeff Tallman, Broker at 602-315-6333 or send an email to JeffTallman@cox.net

Frequently asked questions regarding short sales

Q: My condo is worth less than I paid for it 3 years ago. Am I eligible for a short sale?

A: No. To be eligible for a short sale, you must be delinquent on your mortgage payments and demonstrate a real hardship to your lender (ie, loss of job).

Q: I am delinquent on my mortgage payments and have received notice of foreclosure. Am I eligible for a short sale?

A: Possibly. Why are you delinquent on your mortgage? Loss of job? Loss of income? If you can demonstrate your hardship to your lender, they may accept a short sale vs foreclosure. Most lenders would prefer not to foreclose as this is time consuming & expensive.

Q: Are there tax ramifications on a short sale? Should I get professional tax advice?

A: YES! In a short sale, the lender and the homeowner agree to sell the property for less than the mortgage balance. The IRS treats this difference as income to the homeowner. The lender will issue a 1099 which shows the amount of loss. However, the federal government currently has a law in place known as the “[mortgage debt relief act](#)” which may allow a homeowner tax relief on the loss reported on the 1099.

Q: If my lender agrees to a short sale, will they attempt to “collect” the difference from me personally?

A: It depends. Arizona has a law known as the “[anti deficiency statute](#).” If you qualify, the lender is not allowed to pursue you for the debt. Also, the terms between you and the lender regarding the short sale should be carefully reviewed regarding the lenders intent to either pursue or not pursue further collection efforts.

Q: Does a short sale affect my credit?

A: YES! A short sale is a significant “hit” on your credit. Generally though, it is not as severe as a foreclosure.

Q: Are short sales more time consuming than non short sales?

A: Yes. It can easily take 45-90 days for a lender to make a final decision regarding a short sale. That is one of the reasons why you should communicate clearly with the lender regarding all details and what may or may not be acceptable to them and how their decision process works.

Q: Where can I get more information regarding short sales?

A: On this web page, just above this “frequently asked questions” section, there is another section called “sample forms library.” You can find the “[short sale seller advisory](#)” form there which contains detailed information regarding short sales.

Q: Can you help me with a short sale?

A: Yes, we can help. Give us a call or send us an email at the contact information located at the top of this web page.