

Foreclosures and Short Sales Seminar

Most of us know someone involved with a short sale, pre-foreclosure or foreclosure in the real estate market. While these properties represent a large portion of those being bought and sold currently, most individuals are unaware of several of the intricacies involved with these transactions. Brandi Hammon, with Mountain Luxury Real Estate and Development, and Celeste C. Canning PLLC, attorney at law, will be presenting a synopsis of the process involved in a short sale and foreclosure as well as the legal differences between the two at the Crimson Ridge Clubhouse on Tuesday, March 10th at 6:30 pm.

This event is open to the public and pertains to both buyers and sellers. There will also be an open forum for a question and answer session.

Brandi Hammon is a licensed real estate agent and owner of Mountain Luxury Real Estate and Development. She has successfully stayed foreclosure proceedings, purchased foreclosures, purchased REOs, bought and sold short sales, and aided in helping people keep their homes. She currently lists more than 30 short sales in the Ogden Valley and has over 100 listings. She and her team sell more real estate than any other brokerage in Ogden Valley. Contact Brandi directly at 801-745-8400 or brandi@mountainluxury.com.

Celeste Canning is a licensed attorney with a practice in business law, taxation, estate planning and real estate. She is in private practice with an office in Ogden and resides in Ogden Valley. She can be reached directly at 801-612-9299 or ccanninglaw@aol.com.

For further questions please contact Mountain Luxury at 801-745-8400. Pre-registration is not necessary. Crimson Ridge is located across from the Yacht Club at 5129 E Whispering Pines in Eden. Follow the Any Lot for \$250,000 signs!

Short Sales By Brandi Hammon

An Overview

In essence, a short sale occurs when a lien holder agrees to take less than the amount owed on a property in order for the owner to successfully sell it. There are varying reasons for owners to short sale a property. Owing more on a property than it is worth is the obvious, but most owners could just wait until a market recovers if other circumstances in their lives would allow for this. Real estate values have always gone up and down at times but life's needs don't always correspond. So in a down market job loss or change, reduced income, relocation, medical needs, family needs, and divorce are just a few of the possible reasons one might need to sell. So sellers must approach their lenders/lien holders and ask for a reduction in the principle loan amount if they owe more than the property is worth. This will avoid a foreclosure and reduce the likelihood of legal implications later on.

The Process

Short sales can be simple or complicated but they are always an act of persistence. More often than not, banks will not cooperate in a short sale unless the owner is behind on their payments. Late payments affect the seller's credit as the past due payments are reported to credit bureaus. Usually a short sale is also a "pre-foreclosure" and has a limited amount of time before the bank will foreclose on the property due to missed payments. The amount of time to negotiate a short sale varies by the terms of the loan, the bank, and the seller. On average, there is at least 180 days from the first missed payment to successfully negotiate a short sale. While the exact repercussions of a short sale to your credit are unknown at this time, it is generally assumed it is less damaging to have a short sale than to have a foreclosure and there are possibilities of other legal benefits.

The key to successfully completing a short sale is to 1- get an offer and 2- get it negotiated with the bank. Most property owners have a hard time talking to their lenders regarding the situation. Fortunately there are alternatives to negotiating your short sale yourself. Short sale facilitators, these are firms specializing in short sales as well as loan modifications, they charge a one time fee to help you through the process. Facilitators use attorneys to negotiate with the banks and usually have a good idea of what will be accepted by a bank because of previous deals. Attorneys are an excellent choice, whether you use the attorney to negotiate a short sale or not, you should absolutely consult one no matter how you choose to negotiate a short sale. Verify they have experience with short sales. The possible affects of a short can be discussed including 1099's write offs, current exemptions and deficiencies. Real estate agents are another solution as they are likely to be working with you to get an offer on your property, they can be a good choice if they have experience with short sales and understand the process. Again, consult an attorney whether you negotiate the sale or use another professional to assist you so you have a very clear understanding of your circumstances.

As the owner you will be required, at a minimum, to send in a hardship letter describing your current situation. The most common additional documentation includes two months bank statements, previous year's tax returns, itemized expenses, a profit and loss if tax returns are not available and your most recent paystubs. All of these items will need to be submitted to the bank. It is a good idea to submit these documents early so your packet is ready when an offer is received. Once an offer is received, it will be assigned to a negotiator in the loss mitigation department. The negotiator will then reply with changes, a counter offer, acceptance, or a rejection. There are no guarantees a short sale will be accepted but the current financial climate is rapidly making lenders much more agreeable.

Local Implications

Short sales and foreclosures are here to stay for a period of at least 18 months in the Ogden Valley. While they represent some amazing values in the market right now, they have contributed to a decline in property values. Short sale transactions are not to be used by appraisers to determine value due to the distressed situation but still have an affect on the market by bringing nicer homes in at lower prices to compete for buyers. This creates some amazing opportunities for buyers with recent short sales in the

Preserve generating multiple offers on new homes at \$300,000 and under. The new owners are elated. Sellers have an excellent opportunity to work through a short sale with their banks but also have great opportunities to get their loans renegotiated to better terms even on investment properties. While all banks are different, there are solutions for both buyers and sellers right now.

Remember when locals were saying their kids couldn't afford to live here anymore? If they could ever afford it, now would be the time. Lots are selling for as little as \$60,000 in Eden. Amazing!

Tour Ogden Valley Short Sales March 7th

Mountain Luxury will be hosting a tour of all of the short sales and amazing deals currently available including 25 homes; 15 new construction, one partially constructed, one luxury horse property on 52 acres, one luxury home, two Trappers Ridge homes and two existing homes as well as more than 10 building lots. Several of these properties are not available publicly so this is a great opportunity to get inside some of Ogden Valley's greatest deals!

Maps will be provided and all properties will be open for a self guided tour. Register at Mountain Luxury in person on Saturday, March 7, 2009 or online at MountainLuxury.com. Tour runs from 12-5, registration begins at 11:30.

Mountain Luxury Real Estate & Development
2595 N Highway 162 Suite 5
Eden, Utah
Next to the Eden Post Office
www.MountainLuxury.com