The Foreclosure and Short Sale Process

Stopped Paying Mortgage
Mortgage is delinquent for over 3 months.

→ **Work Out Plan**
During this 3 month period, the lender will offer a workout plan.

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Notice of Pending Foreclosure
After 3 months, the lender will send a notice of pending foreclosure and file suit against borrower for the amount in default. In addition, the lender will file a *lis pendens*.

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A Short Sale Will Prevent a Foreclosure

→ **Hire a Realtor**

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Legal Process
Legal proceedings may take 9 to 15 months

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Court Rules On Foreclosure
If the court rules against the buyer, a foreclosure is scheduled.

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Notice of Sale / Auction

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Foreclosure Sale
Made by public auction, usually at the town hall or county court house. Property is sold to the highest bidder, and anyone including the lender can bid. The winning bidder is required to pay 10% of the final bid at the sale and the remaining balance within 30 days. When the full amount has been paid, the owner takes possession of the property.

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Bank May File a Delinquency Judgment

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Prepare Short Sale Package
The Realtor will help the seller prepare the necessary documents for the lender to approve the short sale.

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Realtor Finds A Buyer / Negotiates Sale

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Submits Short Sale Package
The Realtor submits the short sale package to the lender,

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Lender Denies Short Sale | **Lender Approves Short Sale** | **Lender Makes Additional Requirements**

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Settlement Day
Purchaser closes on the home. No deficiency judgment

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