

SHORT SALE INCENTIVES

WHY THE BANKS WILL GIVE YOU CASH

TO SELL THE HOME YOU CAN'T AFFORD.

SHORT SALE INCENTIVES

Why the banks will give you cash
to sell the home you can't afford



*Discover why many lenders are
paying significant cash incentives
ranging from \$2,500 to \$45,000 to
encourage sellers to do a short sale
and avoid foreclosure*

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Forward

Thank you for downloading this free guide. It is a valuable resource if you owe more than your home is worth and/or if you are in danger of losing your home.

Remember this, **you are not alone**. Almost a quarter of all mortgages are under water and **1 in 7 mortgages are not being paid**. You also need to know that there are programs and services that can help; however, it is important that you **ACT FAST!** If you cannot bring your loan payments current immediately, **your property will be sold at a public foreclosure auction** and you will be evicted from the property if you do nothing.

You do have options

1. **You could do nothing** and allow your lender to sell the property at public auction. You will receive nothing. Your lender does not care if you get anything, they just want their money back.
2. You can **try to sell your property for what it's worth**; however, if you ask for more than the home is worth, it is unlikely to sell.
3. **You can call me at 321-946-1004**. I specialize in assisting people in Central Florida who are in foreclosure. If your property is "underwater", or your ability to make your mortgage payments has been affected by illness, loss of income or other circumstances, you may want to consider short selling your home.

We work hand in hand with Florida Short Sale Solutions; a proven leader in processing short sales. We know what incentives and options are available to distressed homeowners and banks are more willing than ever to help these homeowners find an alternative.

Banks and Lenders are even offering cash incentives to many in this situation. Some banks – including Chase, Wells Fargo, and Bank of America are offering certain homeowners financial incentives to choose a short sale and avoid foreclosure. These financial incentives have ranged from covering moving and relocation costs to offers of tens of thousands of dollars and you will find information on many of these options in this guide.

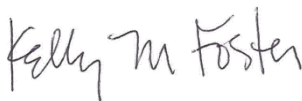
 \$3,000 - \$30,000 <small>Contact Info: 877-459-2852</small>	 \$3,000 - \$45,000 <small>Contact Info: 866-272-4749</small>
 \$3,000 - \$20,000 <small>Contact Info: 877-628-9584</small>	 Up to \$35,000 <small>Contact Info: 877-496-3820</small>

All incentives are based on independent determination by the bank based on value of the home.

As a professional Realtor® with proven success in short sales, I am uniquely qualified to help distressed homeowners explore these options.

To get started, all you have to do is call me at (321) 946-1004. Let's set up an appointment to discuss your situation and your options. I look forward to hearing from you and discussing how we can stop the foreclosure on your home.

Sincerely,



Kelly M. Foster, Realtor®
Florida Realty Investments

PS - CALL ME TODAY at 321-946-1004 so we can discuss your situation immediately! *All consultations are completely confidential and absolutely free.*



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Introduction

If you're reading this, odds are you owe more than your home is worth, or worse, you are delinquent on your payments and facing foreclosure. If you are one of the many homeowners who have fallen behind on your mortgage payments and you don't see any way to avoid foreclosure, a short sale may offer you the least painful way to resolve the situation.

In fact, it may be a lucrative decision for you. Incentive Programs for Short Sales are now being offered by individual banks and lending institutions and while the information is limited and not widely publicized, we have relationships with many of these institutions that can help facilitate an incentive for our clients with a successful short sale transaction.

More and more lenders are making it easier for a distressed homeowner to receive cash to move or other incentives after a short sale.

Why are they doing this?

Banks are run like a business because they are a business. They are in the business of making a profit and if it costs more to do a foreclosure over agreeing to a short sale, the bank is very likely to favor the short sale. Some experts predict that banks may actually make 20% to 30% more on a short sale over a foreclosure.

Short sales are typically faster and cleaner than foreclosures, allowing them to dispose of "bad debts" on their accounting ledgers which is a good thing for a bank's bottom line. A big part of the reason for that shift in mindset is that foreclosures are taking longer than ever. Data notes that the foreclosure can take 600 days or more to close.

Given the long time that foreclosures take, one can understand the need for banks to "nudge" delinquent homeowners to engage in short sales with cash offers, as well as pre-approve short sale deals and agree to write-off a portion of the mortgage debt owed by the homeowner just to get a short sale done.

The bottom line is that it's just cheaper for banks to go the short sale route than to pursue a foreclosure. Short Sales are also better for the homeowner. Let's take a look.

Short Sale vs. Foreclosure

SHORT SALE VS. FORECLOSURE

What you need to know to make an informed decision

Item	Short Sale	Foreclosure
Fannie Mae Guidelines Primary Residence	Eligible for a Fannie Mae Insured loan after 3 years, no restrictions	Eligible with restrictions after 5 years, no restrictions after 7 years
Fannie Mae Guidelines Non Primary Residence	An investor who has done a short-sale is eligible for a Fannie Mae backed mortgage after 3 years	An investor who has had a property foreclosed cannot get a Fannie Mae backed loan for 7 years
Credit Score	Late payments on mortgage will show after completion of the short sale. The effect can be as short as 12 to 18 months. Depending on how lender reports it, credit scores affected negatively 50 to 100 points.	Typically will affect credit score for at least three years. Scores will be negatively affected between 200 and 300 points.
Credit Application Questions (Form 1003)	No questions regarding a short sale.	Question C, Section VIII: Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?
Credit History	Depending on how lender reports it, short sales may not be reported on a credit history.	Remains as a public record for 10 years or more.
Security Clearance	A short sale does not usually raise red flags regarding security clearance.	Security clearances will usually be revoked, oftentimes resulting in loss of employment.
Deficiency Judgment	This is a negotiable issue between the Seller and the lending institution.	No negotiations between Homeowner and lending institution. It is up to the lender (or lenders) whether to file a deficiency judgment.
Deficiency Judgment Amounts	If there is a deficiency judgment, the amount is usually lower if the property has been sold through a short sale.	The foreclosure process usually will cost the lending institution more, hence resulting in a larger deficiency judgment if the judgment is filed.

Information obtained from sources other than Broker that are deemed accurate, but have not been verified by agent or broker. Information is subject to change. All interested persons should independently verify accuracy of the above information. Individual effects may vary, therefore obtaining the advice of legal counsel is recommended.

So, what is a short sale?

In short, a short sale is when a lender accepts a lower mortgage payoff from a seller because the homeowner owes more on their home than it is currently worth.

Since you're not just selling a house, but also negotiating debt, it can take anywhere from 3 to 6 months or more to complete. Also, it is important to keep in mind that not everyone qualifies for a short-sale. The process, for those that do qualify, is improving, however, as banks and Realtors have a lot more experience than they did five years ago. We work, hand in hand, with our partner Florida Short Sale Solutions who has a vast amount of knowledge, experience and connections in regard to Florida Short Sales.

How long does it take?

Short sale transactions are increasingly becoming quicker and more streamlined. Most can even be completed within 90 days, minus the typical roadblocks of most short sale transactions. For the bank, this represents a significant savings of time and labor; and for the you – it means you can start building your credit back sooner.

Here is a look at a few incentive programs offered by government associations, lenders individual banks:

Mortgage Forgiveness Debt Relief Act (The Mortgage Debt Relief Act)

The "fiscal cliff" deal signed into law by President Obama extended the Mortgage Forgiveness Debt Relief Act until January 1, 2014 which is good news for homeowners looking to sell their home at short sale this year.

Originally signed into law in 2007, the Mortgage Debt Relief Act of 2007 generally allows taxpayers to exclude income from the discharge of debt on their primary residence. Up to \$2 million (\$1 million if married filing separately) of forgiven debt is eligible to be excluded. The exclusion does not apply if the discharge of the debt is due for any reason not directly related to the decline in the home's value or the taxpayer's financial condition.

Additionally, to be excluded, the forgiven or cancelled debt must have been used to buy, build or substantially improve a primary residence, or to refinance debt incurred for those purposes.

Practically speaking, the Act allows taxpayers to exclude income realized as a result of foreclosure of their primary residence or a modification of their mortgage. For example, a lender holds a \$250,000 mortgage on a home. Over time, the owner has paid down the mortgage to \$200,000. However, due to the decline in property values in the last few years, the property is now only worth \$150,000. The owner lost his job and is having a hard time making the monthly mortgage payments. To make the payments more affordable for the owner and prevent delinquency of payments, the lender agrees to modify its mortgage by decreasing the principal balance from \$200,000 down to \$150,000, discharging the owner from \$50,000.00 of the loan. This reduction in mortgage principal lowers the monthly mortgage payment for the owner. Without the Mortgage Forgiveness Debt Relief Act in place, the owner could be taxed on the \$50,000 discharged from his loan. With the Mortgage Forgiveness Debt Relief Act, the owner can exclude the \$50,000 from his income on his taxes.

A short sale scenario can also apply. In a short sale, the homeowner's lender (or lenders) agrees to allow the home to be sold for less than the lender is owed on the mortgage note. For example, homeowner gets a \$250,000.00 loan from lender to purchase his primary residence, secured by a first mortgage for \$250,000. The owner makes some payments and now owes lender \$200,000 on the loan. But, due to declining property values, the fair market value of the property is now only \$150,000. Even though he owes lender \$200,000, Owner decides to attempt a short sale and lists his home for fair market value of \$150,000. Seller offers to buy the property for \$150,000. In the absence of other offers, lender agrees to accept \$150,000 in full satisfaction of its mortgage and forgives the homeowner from any obligation to pay the \$50,000 difference. Prior to the enactment of the Mortgage Forgiveness Debt Relief Act, the owner would have to claim this "discharged indebtedness" as taxable income on his tax return. However, under the Mortgage Forgiveness Debt Relief Act, the owner can exclude it, allowing him to avoid paying taxes on the forgiven \$50,000. (Of course, the owner would need to consult a CPA or other tax specialist for specific tax implications.)

For more information: <http://www.irs.gov/uac/Home-Foreclosure-and-Debt-Cancellation>.

Home Affordable Foreclosure Alternatives ("HAFA") Program

Late last year, the federal government extended the Home Affordable Foreclosure Alternatives ("HAFA") program until December 31, 2013.

If you can't afford your mortgage payment and it's time for you to transition to more affordable housing, the **Home Affordable Foreclosure AlternativesSM** (HAFA) program is designed for you. HAFA provides two options for transitioning out of your mortgage: a short sale or a Deed-in-Lieu (DIL) of foreclosure. In a short sale, the mortgage company lets you sell your house for an amount that falls "short" of the amount you still owe. In a DIL, the mortgage company lets you give the title back, transferring ownership back to them.

In either case, HAFA offers benefits that make the transition as favorable as possible:

- You can get free advice from HUD-approved housing counselors and licensed real estate professionals.
- Unlike conventional short sales, a HAFA short sale completely releases you from your mortgage debt after selling the property. This means you will no longer be responsible for the amount that falls "short" of the amount you still owe. The deficiency is guaranteed to be waived by the servicer.
- In a HAFA short sale, your mortgage company works with you to determine an acceptable sale price.
- HAFA has a less negative effect on your credit score than foreclosure or conventional short sales.
- When you close, HAFA may provide \$3,000 in relocation assistance.

Eligibility

You may be eligible for HAFA if you meet all of the following criteria:

- You have a documented financial hardship.
- You have not purchased a new house within the last 12 months.
- Your first mortgage is less than \$729,750.
- You obtained your mortgage on or before January 1, 2009.

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- You must not have been convicted within the last 10 years of felony larceny, theft, fraud, forgery, money laundering or tax evasion in connection with a mortgage or real estate transaction.

** Eligibility criteria are for guidance only. Contact your mortgage servicer to see if you qualify for HAFA.*

Program Availability

HAFASM is available for mortgages that are owned or guaranteed by Fannie Mae and Freddie Mac or serviced by over 100 HAMPSM participating mortgage servicers.

For more information: <http://www.makinghomeaffordable.gov/programs/exit-gracefully/Pages/hafa.aspx>

Department Of Veterans Affairs Compromise Sale (“VA”) Program

The Department of Veterans Affairs offers a Compromise Sale program that provides up to \$1,500 in relocation assistance to veteran borrowers with VA-guaranteed loans.

Compromise Agreement Information

If the borrower is unable to sell the property for an amount that is greater than or equal to what he/she owes on the loan, including closing costs, VA may pay a “compromise claim” for the difference in order to allow the private sale to go through. The borrower can sell the property to a buyer who gets his/her own financing or to a buyer who wants to assume the loan. However, with a compromise assumption, the lender does have to agree to have the amount of its guaranty reduced by the amount of the claim payment.

Eligibility

In order to be considered for a compromise sale, several factors must be considered:

- The property must be sold for fair market value.
- The closing costs must be reasonable and customary.
- The compromise sale must be less costly for the Government than foreclosure.
- There must be a financial hardship on the part of the seller.
- On loans that originated on or before December 31, 1989, the lender must be willing to write off any debt above the max guaranty.
- There must be no second liens or other liens (unless the amount is insignificant). In situations whereby there are second liens or other liens, the seller can request that the lien holder consider releasing the lien and converting the loan to a personal loan.
- The seller must first obtain a sales contract in order to be considered for the program.
- To protect the seller’s interest, the seller should make the sales contract contingent and/or subject to the approval of a VA compromise sale.

Once it is determined that a homeowner may qualify for VA compromise sale, the realtor or the homeowner should contact the homeowner’s servicer. A majority of the servicers have a Loss Mitigation Department.

NOTE: The VA Home Loan Program is no longer divided up into jurisdictions. VA representatives on a nationwide basis now service all VA loans. The borrower/servicer should be able to provide the VA representatives contact information if assistance is needed.

Seller Requirements

1. Once it is apparent that the seller needs to consider the VA Compromise Sale Program, the seller should contact his/her servicer.
2. A financial statement should be provided and signed by all parties.
3. The seller should complete a letter of request for a compromise sale to include hardship information.
4. A Compromise Sale Agreement Application should be completed and can be obtained from the servicer.
5. On loans that originated on or before December 31, 1989, the servicer is required to write off any amount over the max. guaranty of the loan.

Realtor and/or Seller Requirements

Upon receipt of an acceptable offer the realtor and/or the seller should contact the seller's servicer and advise them that they are in the process of submitting a compromise package. This package should contain the following information:

1. Sales contract signed by all parties with a contingency which reads: "This offer is contingent upon approval of a VA compromise sale."
2. Good faith estimate projecting closing costs. This document is usually prepared by the real estate agent to facilitate processing (i.e. estimated HUD1).
3. Letter to the servicer requesting consideration of a compromise sale.
4. Financial data and supporting documentation.
5. Compromise Sale Agreement Application.

Other Requirements To Process A VA Compromise Sale

- A current VA appraisal must be obtained. If the buyer is obtaining a VA loan, the buyer's VA appraisal can be used provided the buyer will agree to the same. Otherwise, the seller's servicer will have to complete a VA appraisal.
- Title is reviewed. As stated earlier, in situations whereby there are second liens or other liens, the seller can request that the lien holder consider releasing the lien and converting the loan to a personal loan.
- A compromise assumption will not be processed without first receiving a statement from the servicer that they are willing to have their guaranty amount reduced by the amount of the claim payment.
- If it appears a compromise assumption is feasible, the buyer must qualify.

What Happens When a Compromise Sale Is Approved?

- A copy of the approval letter from the servicer is submitted to the closing attorney prior to closing.
- The closing attorney and/or his staff will review the approval letter.
- Approval of any additional amounts need to be submitted to the servicer well in advance of the closing date.
- At the closing table, net proceeds are paid directly to the obligor's servicer who then files a claim with VA for the difference between the proceeds and the total indebtedness.

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- VA CANNOT pay a compromise claim beyond what the loan was guaranteed for.

Homeowner BEWARE

Entitlement - Should VA agree to pay the difference between the sales proceeds and the total debt to complete the compromise sale process, the portion of the homeowner's entitlement used to guaranty this loan will remain tied up until VA is reimbursed in full.

Servicers can consider a compromise sale when one of The following financial hardships exist:.

- Veteran/seller employer or financial situation will require he/she to relocate.
- A decrease in income.
- Major medical expense.
- The death of a principal wage earner, spouse or family member.

Some examples of what is not considered a financial hardship:

- Desires a larger home
- No longer likes the neighborhood
- Homeowner owns other homes and/or has sufficient assets he can liquidate
- The property values are no longer a sound investment

The following are some obstacles that may cause, but are not limited to, the reason a compromise sale agreement may be delayed:

- Illegible copies of the required documents.
- One of the parties on the title refuses to sign the contract.
- Inability of the veteran/seller to meet hardship requirements.
- There are other significant liens recorded against the property.
- The other lien holder is unwilling to convert the loan to a personal loan.
- Loan is not guaranteed by VA.
- The value of the property will satisfy the total indebtedness (equity).
- The shortage exceeds the VA's maximum guaranty amount.
- Veteran/Seller is deceased and the administrator or executor of the estate is unknown.
- The offer is substantially lower than VA's appraised value.
- Veteran/Seller filed bankruptcy.
- A breakdown of the buyer's closing costs were not provided

For more information call 1-800-933-5499 or visit www.benefits.va.gov/homeloans

The Department of Housing and Urban Development (HUD)'s Preforeclosure Sale Program ("PFS")

The Preforeclosure Sale Program allows a Borrower in default to sell his or her home and use the sales proceeds to satisfy the mortgage debt, even if the proceeds are less than the amount owed.

In short, they are offering short sale sellers incentive payments of up to \$1,000. The amount of seller incentive is based on how quickly the sale closes. If the short sale closes within 3 months of the date of the short sale application, the payment is \$1,000; if not, the payment is \$750. If a seller has an FHA

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mortgage and no second mortgage on their home, the seller can receive up to \$1,000 in short sale incentive. If the seller has a second mortgage, the incentive is used as part of the payment to the second mortgage holder in exchange for a release of the second mortgage lien. In that case, HUD will pay up to an additional \$1,500 to discharge the junior lien. Or, the incentive payment can be used to pay items required for "clear to close," such as delinquent homeowners association dues, final utility bills, or other fees due at closing and not payable by the seller's lender.

Facts

- Outright sale of mortgaged property to a third party and must be an "arms length" transaction
- Outstanding indebtedness includes; unpaid principal balance+ delinquent interest+ Partial Claim (if applicable).
- HUD will pay up to \$1,000 incentive to the Borrower if closed within 90 days from the date of application; thereafter, the incentive is reduced to \$750.
- HUD will pay an additional amount up to \$1,500 for the discharge of junior liens after the Borrower's incentive has been applied.
- HUD allows all reasonable cost of the sale including up to 6% sales commission, local/state transfer tax stamp and other customary closing cost.
- HUD allows up to 1% of the buyer's mortgage amount for closing costs to be included in the "Seller's Costs" on the HUD-1 for all transactions that involve a new FHA-insured mortgage.
- Tiered Net Sales Proceeds requirement during the 120 day marketing period, is applicable as follows:
 - For the first 30 days of marketing, Lenders may only approve offers that will result in minimum net sale proceeds of 88% of the "As-Is" Appraised Fair Market Value.
 - During the second 30 days of marketing, Lenders may only approve offers that will result in minimum net sale proceeds of 86% of the "As-Is" Appraised Fair Market Value.
 - For the remaining 60 days of the Preforeclosure Sale marketing period, Lenders may only approve offers that will result in minimum net sale proceeds of 84% of the "As-Is" Appraised Fair Market Value.
- Unacceptable Settlement Costs:
 - Repair reimbursements or allowances;
 - Home Warranty Fees;
 - Discount points or loan fees for non FHA-financing; and
 - Lender's Title Insurance fee.
- Property Condition
 - Properties that have sustained damage may be eligible for the Preforeclosure Sale Option
 - If the cause of the damage is fire, flood, earthquake, tornado, boiler explosion (for condominium's only) or Lender neglect (i.e., surchargeable damages as defined in 24 CFR Part § 203.378) Lenders must obtain prior approval from the NSC at the address above.
 - Prior to seeking this approval, the Lender must obtain the government's estimate of the cost to repair the surchargeable damage by contacting HUD' s Mortgagee Compliance Manager Contractor.
 - HUD's Mortgagee Compliance Manager Contractor contact information can be found on the Internet at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/mcm

- Under no circumstance should the Borrower be encouraged to default on their mortgage for the purpose of participating in the Preforeclosure Sale Program.

Eligibility

- The property must be owner-occupied, no "walk-a ways" or investment properties. Exceptions: when it is verifiable that the need to vacate was related to the cause of default (job loss, transfer, divorce, death), and the subject property was not purchased as rental investment, or used as a rental for more than 18 months.
- The Borrower must be 31 days or more delinquent at the time of the Preforeclosure Sale closing.
- The Borrower must provide documentation substantiating a reduction in income or an increase in living expense, and documentation that verifies the Borrowers need to vacate the property (if applicable).

For more information:

<http://portal.hud.gov/hudportal/documents/huddoc?id=nscpfsgaq.pdf>

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/nschome

Home Affordable Foreclosure Alternatives ("HAFA") Short Sale Lease Back Program ("SSLB")

The Short Sale Lease Back Program may allow some qualified homeowners to stay in their home after a short sale. Certain banks will approve short sale lease back transactions on certain loans as long as the homeowner has a valid hardship and the short sale terms are acceptable to the bank.

The background

The SSLB Program was inspired by changes to the federal Home Affordable Foreclosure Alternatives (HAFA) short sale program. Program founders designed it to help distressed homeowners find an alternative to foreclosure and more quickly return to the housing market as buyers.

In recent years, banks and servicers have required that a short sale be an "arm's-length" transaction, meaning the buyer and seller could not be related and could not have a prior agreement for the homeowner to stay in the property.

The U.S. Treasury Dept. in March 2011 issued a supplement, or amendment, to the HAFA guidelines to allow "servicers the discretion to approve sales to non-profit organizations with the stated purpose that the property will be rented or resold to the borrower, so long as all other HAFA program requirements are met." It further strengthened that option in a November 2012 supplement that smoothed the process for such a sale.

The Short Sale Lease Back program (SSLB), could allow you to sell your upside-down home and remain there for up to three years while paying a fair market rent. If successful as a renter, you should be able to buy it back at the end of the rental term. Lenders have been lukewarm about the program, but some homeowners have benefited from the program and more lenders are likely to participate.

Here is a program overview

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- Homeowners must work with a licensed agent who is trained and certified by the Short Sale Lease Back Program.
- A qualified non-profit would purchase the home in a short sale.
- The homeowner's lenders must approve of the lease-back terms — the intent of the sale and tenancy cannot be hidden from the lien-holders.
- The seller would lease the home for a minimum of three years, allowing their credit to heal so that they could qualify for a mortgage.
- Homeowners must attend ongoing HUD and financial-literacy counseling and speak with legal and tax experts to ensure the program is the right fit.
- If approved, the former owner might be allowed to repurchase the home at the end of the lease term.

Qualifying

- You must be a homeowner who has missed payments or is in danger of missing payments and face default to qualify for the SSLB program.
- Your financial documentation must show that you really face a hardship, but you'll also have to demonstrate you have the financial ability to pay a fair market rent.
- If you are approved, the SSLB program would submit an offer to your lender at a fair market price and disclose that you would remain in the home under a lease back agreement.
- Full disclosure is key. It's fraud to fabricate information or withhold information from your lender or make arrangements apart from the contract for the program.

The sale and lease back

- If your lender agrees to the offer and its terms, your sale would proceed as a short sale with closing expected in three to four months or longer if the lender requires it.
- After escrow closes the former owner becomes a tenant in the home for up to three years. The non-profit HomeStrong USA acquires the property and becomes the landlord.
- Chances are the rent paid will be less than the previous mortgage payment and the tenant can save the difference toward another home purchase later.
- For example, a home with a \$3,500 mortgage payment that rents for \$2,000 a month could save you \$1,500 per month. If you diligently save the difference, at the end of three years you will have saved \$54,000 plus interest.
- You could then use that amount for a down-payment and closing costs on a new home purchase, but not the same house. Of course, the onus to save is on you. You must be able to endure three years of saving or some level of savings you can use to buy a home, if your goal is to buy again.

Short comings

- You'll have to find a lender willing to participate.
- Your property must qualify.
- You must work with one of some 150 SSLB certified agents nationwide.
- Be aware, in a short sale, you could be saddled with a capital gains tax bill and pay taxes on the amount the lender forgives.
- The Mortgage Debt Forgiveness Act of 2007 could exempt you from these taxes on the federal level, if you qualify. The law's current extension expires Dec. 31 2013.

- In a short sale, in many locations, the lender can also choose to come after you for the difference between the short sale's sale price and the mortgage debt if the debt is not written off by the lender in full.
- As with any transaction that comes with a tax or legal consequence, always speak to a qualified certified public accountant, enrolled agent, tax attorney or other appropriate professional to determine your liability.

Do you qualify?

The Short Sale Lease Back Program is now interviewing applicants. To qualify, homeowners must:

- Live in the property as their primary residence.
- Have steady, verifiable income.
- Have a valid hardship and be able to qualify for, and complete, a HAFA short sale.

Bank of America

In addition to its HAFA Short Sale, Bank of America offers a Cooperative Short Sale (Bank of America's Pre-Approved Price Cooperative Short Sales) which provides between \$2,500 and \$30,000 in relocation and moving assistance to eligible short sellers at the closing of their short sale. In order to receive the payment, the sale must close by September 26, 2013. A seller must be pre-approved for a Cooperative Short Sale before an offer to purchase is submitted to Bank of America for short sale consideration. The pre-approval process takes approximately 3-4 weeks. Once pre-approved, a seller has 120 days to market the property for short sale.

Short sale approval is often granted within 2-3 weeks of an acceptable purchase offer being submitted to Bank of America. If a short sale offer is submitted to Bank of America for approval prior to the seller being pre-approved, the seller is ineligible for the Cooperative Short Sale program. However, the seller may still be eligible for other types of short sales offered by Bank of America.

For more information: <http://homeloanhelp.bankofamerica.com/en/short-sale.html>

JP Morgan Chase Bank

Chase's short sale program offers short sale sellers up to \$45,000 at closing. To qualify, a seller must be in serious default (60 days or more behind). If a seller qualifies for this program, Chase will typically send a letter to the seller asking them to consider a short sale and offering an incentive payment. If a seller has not received a letter like this, the homeowner can call Chase to ask if their loan qualifies for this program. This program is available on some loans held by Chase (not just serviced by Chase), as well as loans with some other private investors. Sellers with Fannie Mae or Freddie Mac mortgages are not eligible.

For more information: https://www.chase.com/chf/mortgage/hrm_faqs

Citi, CitiGroup, CitiBank

Citi has confirmed that its average incentive offer is currently \$12,000 for borrowers in cases where Citi owns the loan. "Incentives are offered to customers experiencing financial hardship who need funds to proceed with the short sale," a spokesman for the lender explained. The amount, which is agreed upon upfront, varies according to the borrower's individual circumstances and loan characteristics, Citi said. It is disbursed to the homeowner when the short sale is completed. Like many programs such as this, typically the incentive offer is extended to the homeowner during the foreclosure process in an effort to entice a short sale transaction.

For more information:

<https://www.citimortgage.com/Mortgage/displayHomeOwnerAssistance.do?page=foreclosure>

Wells Fargo (formerly Wachovia)

Wells Fargo says it has been making "enhanced financial relocation assistance offers" (or short sale incentives) which range from \$3,000 to \$20,000 to certain borrowers who choose to go through with a short sale or transfer the title back to Wells Fargo via a deed-in-lieu. These larger incentives are mainly offered in Florida and other east coast states where the foreclosure process is lengthy and difficult. The lender is well-known for its speedy response and no-nonsense negotiations and even offer these incentives on non HAFA and non owner-occupied properties.

For more information: <https://www.wellsfargo.com/homeassist/shortsale>

Summary

This is not a comprehensive list, but these are good examples of the programs available to homeowners who are in danger of losing a home to foreclosure. These programs could change over time, and depending who the investor to the loan is may determine how much the seller gets.

It is good to keep in mind that the lenders are very motivated to give out these incentives since short sales net banks 12 to 25 percent more than they would gain from a foreclosure because of the time and expense to take back, repair, maintain, market and resell a property. And as many as half of loan modifications re-default within the first year, later turning into foreclosures and short sales.

So, as you can, in many cases, the short sale option is still the best solution for the majority of underwater homeowners.

At this time, this is no way to directly request the large Non-HAFA incentives. In fact, banks are holding their incentive criteria close to the vest. Most of the information we have on how much the banks are offering is from our personal experience by helping our clients who have actually received the offer. Our suggestion is to pay close attention to any mail that is received from the mortgage lender/servicer. The incentive letters look very much like form letters and homeowners are naturally distrustful of their contents.

How to Protect Yourself Against Mortgage Relief Scams

Even with the help of a professional, you may encounter challenges and obstacles along the path to avoiding foreclosure. One of those challenges will be scam artists who may try to take advantage of you and your circumstances.

Beware of people or companies who:

- Call themselves "foreclosure services"
- Require a fee before providing any service to you
- Require a mortgage payment directly to them
- Ask you to transfer your property deed or title to them

Suggestions:

- Keep personal information safe from "strangers" on the phone, online or door-to-door.
- Don't give your social security number, account number or other personal information to them. If in doubt, wait to talk with a trusted professional to help determine if an offer is legitimate.
- Be proactive! Ask questions.
- Be a little skeptical — if it seems "too good to be true," it probably is too good to be true.
- If you receive a letter from your bank — do not follow the instructions on the paper or call the number listed. It is best to call the bank directly and have them route your call.
- Work with a Realtor® in your area who has experience processing short sales.

If you are struggling with an unaffordable mortgage and are looking for help, educate yourself! As a professional Realtor who has worked on many short sales, you can trust that I have the tools to be in full compliance of FTC regulations, and will always work with your best interests at heart.

Closing

Want to know if you qualify for any of these programs?

Looking for viable alternatives to foreclosure?

Call us today and we'll do the research for you. We will help you close your short sale transaction in the shortest time possible, with the fewest hassles. Let us research solutions for you and handle all of the time-consuming negotiations with lenders.

Whether you have questions about whether a short sale is right for you, to find out what incentives you may qualify for or simply want to short sell your house, feel free to contact us at any time. We are available seven days a week to help you.

CALL US TODAY AT 407-556-3495 or email us at Info@OrlandoMetroRealty.com and we will walk you through how to get started.

We will do the best we can to help you out of your negative situation!

Do you
qualify?