

## **Why is it Important to Hire an Experienced Short Sale Attorney?**

The current real estate market is unlike any we have ever seen. Real estate values endured a roller coaster ride during the past decade, leaving many homeowners currently owing more than their home is worth. This trend, coupled with the global economic crisis has created an unprecedented volume of properties in Foreclosure, leaving homeowners asking what options exist. For most, short sale is the most attractive option and Rothamel Bratton, LLC has developed expertise navigating through the incredibly cumbersome process.

There are two main reasons to hire an experienced short sale attorney. First, hiring an experienced short sale attorney may protect you, your family, and your assets; and, second, no one can be good at everything, including attorneys. It is in your best interest to consult with a lawyer who focuses his or her practice on short sales and related real estate matters. Short sale negotiations generally take 90-120 days to complete. During this time, it is required to be in contact with a short sale lender on a daily basis to keep open lines of communication while the lender, its negotiator and the investor review the short sale package that usually exceeds 100 pages of financial and property specific data collected and organized by your attorney.

Below, we've outlined the definition of a short sale as well as the conditions, warnings, benefits, alternatives, and where to get help.

### **What is a short sale?**

A short sale is the process of negotiating with your lender and all lien holders for the liens to be released from the property in exchange for the proceeds generated from the sale of your home. All lien holders must agree to the sale, so the process includes discussions with any mortgage holder, homeowner associations, utility companies, tax offices, and sometimes judgments creditors. If successfully negotiated, the mortgage and all liens are completely satisfied, so the homeowner is able to avoid Foreclosure and the credit impact that results.

You've, likely, heard the terms "under water" or "up-side-down." These terms are commonly used to describe the situation wherein a short sale may be appropriate.

### **What are the conditions of a short sale?**

To qualify for a short sale, you must show that you meet the following conditions:

- You've suffered some kind of hardship, which may include job loss, divorce, medical issues, small business failure, job transfer, or military deployment, and you are unable to afford your bills due to the hardship.

- The current fair market value of your home is less than the mortgage(s) and other liens on that home.
- A qualified buyer is willing to purchase your home at an amount your lender will approve.

### **Is there anything I need to be concerned about regarding a short sale?**

Short sales are incredibly complicated, and overlap significantly with the risk of Foreclosure. During the process, significant legal expertise from our attorneys is required to properly negotiate a permanent release from all the liens to avoid future lawsuits, evaluation and potential avoidance of tax implications, and resolution of the title encumbrances that exist with homes that are approaching or are in active Foreclosure.

Short sales have pitfalls, so please heed these warnings and consult with a Rothamel Bratton qualified short sale attorney about your individual situation. –Rothamel Bratton has been involved with nearly 4,000 short sales. Use the expertise and experienced that comes from such volume to surround yourself with the team best suited to obtain results.

Service you can expect from Rothamel Bratton Short Sale team:

- If your agreement with your lender is not worded correctly, the lender may pursue a deficiency judgment. This means that you'd still owe the difference between your mortgages payoff amount. Rothamel Bratton will endeavor to secure a complete release from all lien holders so that you may move on from this temporary hardship without fear of future financial burden.
- The bank will proceed with the foreclosure process while you are in the short sale process. Rothamel Bratton will review the Foreclosure papers and advise if any action is required. Having an attorney from the beginning of the process will provide you with continued legal advice and counsel on what, if any, action is required.
- Bankruptcy may still be necessary, depending upon your other debt load and ability to pay those debts. Rothamel Bratton offers a free Bankruptcy consultation for clients who have significant debt above what will be satisfied in the short sale.
- You need to be protected against real estate contract default claims. Most standard contracts are not well suited for the unique terms required in a short sale. Rothamel Bratton offers a free custom short sale contract to

protect you and your home from start to finish. All special provisions are included in every transaction we are involved with.

### **What are the benefits of a short sale?**

The benefits of selling your home in a short sale include:

- Avoidance of Foreclosure, default judgments, and the potential tax implications.
- The potential to avoid bankruptcy, which affects your credit score and is noted on your credit report.
- Avoidance of capital gains for a primary residence.
- The impact on credit is far less than a Bankruptcy or Foreclosure.
- The life span of the blemish on credit is less than a Bankruptcy or Foreclosure; and, because the debt is completely satisfied, the homeowner begins rebuilding credit immediately when the mortgage debt is removed from the credit report.

### **What are the alternatives to a short sale?**

If you cannot make your mortgage payments and either don't qualify or don't want to do a short sale, the alternatives are loan modification, Deed in Lieu of Foreclosure and/or bankruptcy. Rothamel Bratton will work through your options and determine what is best for you.

### **Where do I get help with a short sale?**

The good news is that it will not cost you a penny to have a Rothamel Bratton attorney represent you. All attorney fees are paid by your mortgage lender! If you cannot make your mortgage payments and your house mortgage is more than your house is currently worth, a short sale may be a good fit for you. Consult with a qualified and experienced short sale attorney by calling our Haddonfield, Lawrenceville, or Philadelphia office at 856-857-6000. Your next step is to contact us now and let us help you find relief. Nobody could have predicted that the real estate market would collapse as it did, but we can help you grab hold, take control, and remove the emotional and financial burden surround your home. We are here to help.