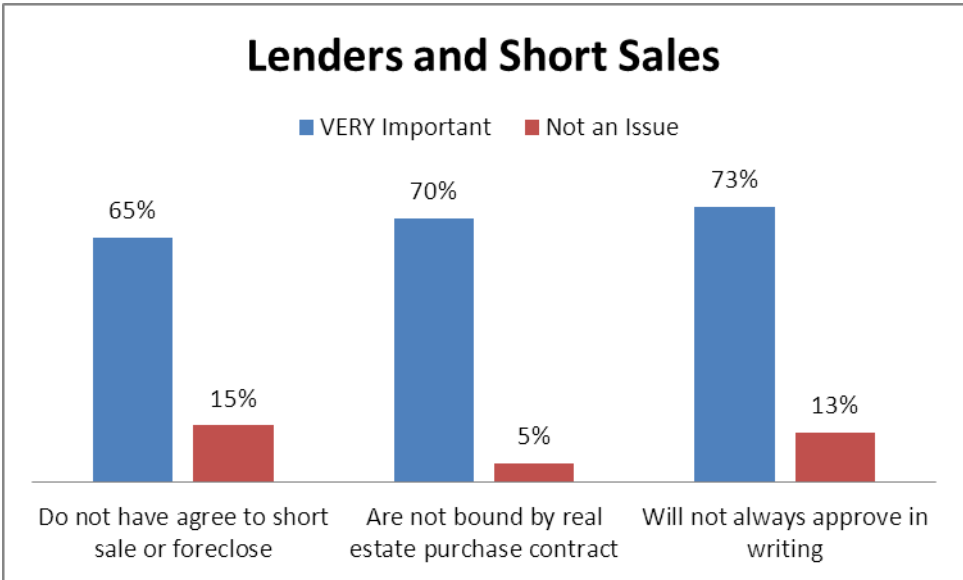


The results are in for the “Short Sale” Survey and NAEBA members warn that buyers should be aware that knowledge and good representation are the keys to success. As with all transactions, buyers should work with their Exclusive Buyer Agent to determine if a short sale transaction is an option that makes sense for their unique situation.

Highlights

When asked about known issues that have the potential to complicate or kill a short sale transaction, NAEBA members rated the following as important for buyers to know:

- 88% say there are many things outside of the buyer’s control in a short sale transaction
- 82% warn that lenders may take months to approve a short sale process and then require the buyer to close in a very short period of time, leaving little time to complete due diligence and in some cases to short to avoid the foreclosure sale
- 85% want buyers to know that if a potential buyer makes improvements to correct major defects or safety issues in order to close, the buyer’s money is at risk if the deal does not go through.
- 83% warn that buyers, sellers and their agents may never actually talk to a person with the authority to make the decision of whether or not to approve the short sale



“There are good deals available but buyers must be equipped with all of the information to make an informed decision about a short sale, including knowing the potential risks and complications.”

-Survey respondent

What should buyers know?

Risks:

Many factors outside of buyer's control

88%

Many risks inherent in process

75%

Lender's approval is not always in writing

73%

Cost:

Unpaid homeowner association dues, utility payments, back taxes and more can kill transaction. These items must be paid to clear the title but costs sometimes cannot be calculated until just before closing.

75%

Earnest money deposit may be at risk if a short sale goes to foreclosure and contingency deadlines have passed.

58%

Representation:

A listing agent's legal obligation is not to the bank but to the seller.

62%

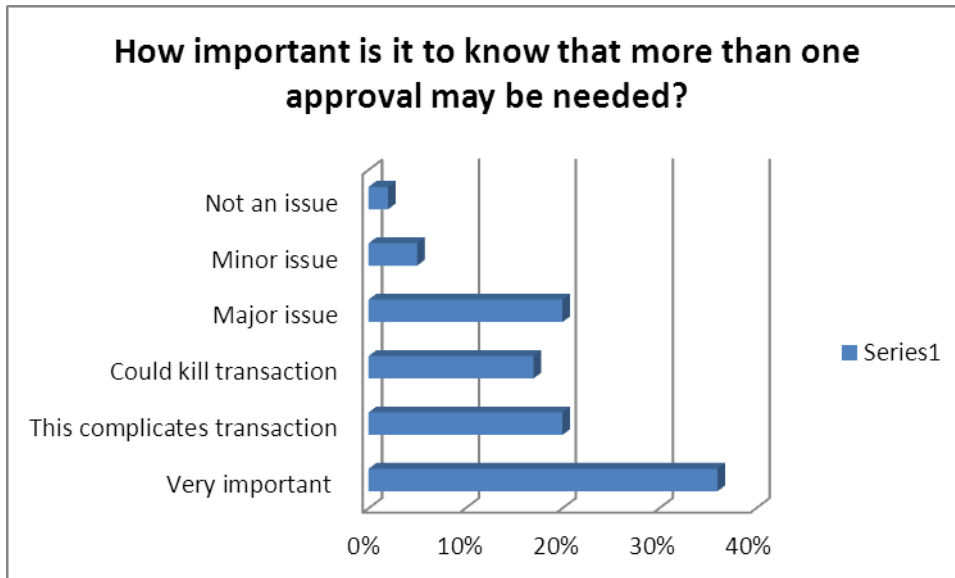
A listing agent is not always required to submit all offers to the bank but only to the seller. The bank is the third party.

65%

Buyers have little or no power or recourse against a third party.

80%

In a short sale transaction there may be more than one lender that needs to approve the sale. Mortgage insurance companies and investors may also need to approve.



“I did my first short sale in almost two years and it went off with hardly a hitch. The key was having clear criteria up front, good communication with my buyer and a listing agent that was knowledgeable. ”

-Survey Respondent

NAEBA members advise that representation and knowledge are essential in all real estate transactions. Exclusive Buyer Agents are buyer advocates and will ensure that the buyer is informed and that their interests and rights are protected. An EBA can help you to determine if a short sale property is the right buy and if so will advocate for your interests throughout the entire transaction.