

FORECLOSURE OR SHORT SALE (Cont'd)

FACTORS	FORECLOSURE	SHORT SALE
PERSONAL LIABILITY	If your loan balance is more than the foreclosure sales price, you generally will not be personally liable for the difference under certain circumstances, such as if the lender forecloses non-judicially through a trustee's sale or if the lender forecloses on a purchase-money, owner-occupied loan for one-to-four residential units. Certain exceptions may apply, such as fraud, bad faith waste for intentional property damage, certain wiped-out junior liens, and FHA and VA loans.	If your loan balance is more than the sales price in a short sale for a property with one-to-four residential units, you generally will not be personally liable for the difference. Certain exceptions may apply, such as, without limitation, if you commit fraud or bad faith waste for intentional property damage (Cal. Code of Civ. Proc. section 580e).
POSSESSION	You generally have the right to stay in your home during the foreclosure process which takes a minimum of about 4 or 5 months. If you do not leave after a trustee's sale of the property, the new owner may negotiate a cash-for-keys agreement with you, commence the eviction proceedings by serving you a 3-day notice to vacate, or take some other action.	You generally have the right to stay in your home until you close escrow on a short sale transaction. You may, however, be able to negotiate with your buyer for a longer or shorter stay, subject to your lenders' consent.
PERSONAL CONCERNS	The foreclosure process takes little effort on your part, but the wait can be agonizing and stressful for certain people. Although non-judicial foreclosure takes a minimum of about 4 or 5 months, you generally cannot dictate how quickly the lender proceeds with each step of the foreclosure process. You may also feel uncomfortable with what you may perceive as the shame or stigma associated with foreclosure, such as when a notice of trustee's sale is posted on your property or the sheriff comes to escort you and your family out of the property.	Doing a short sale may involve a lot of time, effort, and paperwork on your part to list and market your home, get your lender's approval, and consummate the sale with your buyer. Yet, during this process, you generally do not know whether you will succeed in closing your short sale transaction. Despite the hard work and uncertainty, you may prefer a short sale because it allows you to take a proactive approach to finalizing this chapter of your life so you can move on to the next one as quickly as possible.
ASSISTANCE	To assist you, a foreclosure consultant as defined under Cal. Civ. Code § 2945.45 must be registered with the California Department of Justice and bonded for \$100,000. Real estate licensees are generally exempt from this requirement. To check whether someone is properly registered as a foreclosure consultant, call the California Attorney General's Office.	One big advantage of a short sale is you can hire a professional real estate agent to help you through what can otherwise be a complicated and difficult process. You may check whether someone is a duly licensed real estate agent in good standing with the California Department of Real Estate (DRE) at http://www2.dre.ca.gov/PublicASP/pplinfo.asp .



Contact a Professional for Your Real Estate Needs.