

Don't Get Stung in a Short Sale

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American homeowners are still in trouble with mounting mortgage defaults and depressed property values. The lenders and loan servicing companies are non-responsive to their customers and HAMP has had an embarrassing 20% success rate, which leaves homeowners high and dry when it comes to help with their mortgages and distressed properties. Getting out from under your upside down property through a short sale starts to look pretty good in comparison to either a foreclosure or bankruptcy on your credit report; right?

Back on April, Carry Bay highlighted the dark side of short sales in her article, [Short Sales...A Breeding Ground for Fraud?](#) Since short sales are gaining in popularity and I continue to respond to questions from my clients about their options; it's important to be on the lookout for fraud.

Speaking of fraud, the next time you're approached with an offer to short sell your property consider this: The only people that are benefiting from the short sale of your home are the mortgage companies and the real estate broker who gets a commission from the sale. In addition, you would be left holding the bag, long after the deal is done, if the transaction is not conducted properly.

This article, [A Short Sale May Not Mean You're Home Free](#), warns of the problems that crop up long after you move out. Not only could you be liable for deficiencies, especially if you held a second mortgage or home equity line of credit on the house, but your credit score may be in worse shape, if the information is reported incorrectly. Don't just let your Dream of homeownership slip away without knowing your options and your rights.