

Marin Market News

Special Issue: Navigating the Year Ahead

Marin County Distressed Sales 2009

Entire County
606 sales, or 28% of total

Select cities...

Belvedere
1 sale, or 4.3% of total

Corte Madera
8 sales, or 9.2%

Fairfax
12 sales, or 18.2%

Greenbrae
5 sales, or 7.8%

Larkspur
3 sales, or 5.9%

Mill Valley
31 sales, or 12%

Novato
317 sales, or 51.9%

Ross
1 sale, or 2.9%

San Anselmo
24 sales, or 17.5%

San Rafael
178 sales, or 31.4%

Sausalito
12 sales, or 15.8%

Tiburon
7 sales, or 8.6%

Information derived from
BAREIS. Not guaranteed.



Avoiding Foreclosure with a Short Sale

If you are behind on your mortgage payments, you may be feeling the immense stress posed by the threat of foreclosure. Fortunately, there are options designed to offer you a much better outcome.

First, consider a loan modification. Your lender may agree to refinance your loan at a lower interest rate, offer a “catch-up” payment plan or provide a forbearance period if your situation is temporary. If you are not eligible for a loan modification, or if it still isn't enough to relieve your financial problems, a short sale could be your best option.

Why a short sale is preferable to foreclosure

Impact on credit: After a short sale, some clients report a 50–130 point drop in their FICO score. The drop is usually due to being in default, and some lenders do not even report short sales to credit bureaus.

A foreclosure can cost your credit score 200–400 points. Generally this credit score remains on your credit report for 7–10 years. If a prospective employer runs a credit check on you, this could be a negative factor in the consideration of hiring you.

Buying another home: After a foreclosure, you may be lender-eligible in 5–7 years. The wait after a short sale is less.

Getting a loan: Loan applications typically have no questions about short sales. You may report that you sold your home. After a foreclosure, you must answer “yes” to the question, “Have you ever had a property foreclosed upon or given a deed-in-lieu thereof in the past 7 years?” If the bank sees you have had a foreclosure, most likely it will deny your loan.

Psychological factor: Many clients feel they maintain a sense of control and dignity with a short sale versus a foreclosure.

Still unsure what to do? I invite you to pick my brain. I've negotiated with many banks and I provide free guidance to homeowners.

Top 3 Questions When Hiring a Realtor

The first step to a short sale is to hire a qualified Realtor *with short sale experience*. It follows that your first question should be...

What is your short sale experience? Short sales have proliferated only recently, so relatively few Realtors have closed a lot of short sales. We have done many, many short sales in Marin County since 2008, and as the listing agent, not one has resulted in foreclosure.

What is the short sale process? You want to work with someone who demonstrates

depth of knowledge and can offer experience-based examples about what to expect. Some topics are timeline, lender requirements and pricing strategy.

Will I owe money after the sale? A qualified agent will talk to you in general about recourse vs. non-recourse loans as well as any possible tax implications. You should consult with a tax professional too, and we can refer you if needed.

More short sale information and guidance at BestHomesMarin.com