

# Short Sale vs Foreclosure Options



**Don't make the Biggest Mistake ever...**

Do not let the Bank foreclose on your home!

**Beware... Loan Modifications** are just a temporary fix and a loan modification will still leave you with negative equity.

**A Better Solution — A SHORT SALE**

- Possible forgiveness of your deficiency
- Less likelihood of tax liabilities
- Get out of your bad situation



SUBJECT	SHORT SALE	FORECLOSURE
<b>Credit Score</b>	Late payments on mortgage will show after completion of a short sale. The credit score will not be lowered as much, and the effect to the credit score can be as short as 18 months.	A foreclosure will typically affect credit scores for at least 3 years. Scores will be negatively affected between 200 and 300 points.
<b>Credit History</b>	Depending on how the lender reports it, short sales may NOT be reported on credit history.	This will remain as a public record on a person's credit report for 10 years or more.
<b>Fannie Mae Guidelines</b>	Eligible for a Fannie Mae insured loan after 2 years without restrictions.	Eligible with restrictions after 5 years; no restrictions after 7 years.
<b>Primary Residence</b>	This is a negotiable issue between the seller and the lending institution.	No negotiations between the home owner and the lending institution. It is up to the lender(s) whether to file a deficiency.
<b>Deficiency Judgment</b>	A short sale does not usually raise red-flags regarding a person's security clearance.	An employer may choose to not grant certain security levels. Resulting in loss of pay.



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