

## For More Information

For more information about home-buyer education and pre-purchase credit counseling, contact these HUD-approved agencies:

### Acorn Housing

953 E. Sahara Ave. #226  
Las Vegas, NV 89014  
Phone: (702) 384-3022  
Web: [www.acornhousing.org](http://www.acornhousing.org)

### Consumer Credit Counseling Service of Southern Nevada

2560 S. Jones Blvd.  
Las Vegas, NV 89146  
Phone: (702) 364-0344  
Web: [www.cccsnevada.org](http://www.cccsnevada.org)

### Housing for Nevada

285 E. Warm Springs, Suite 106  
Las Vegas, NV 89119  
Phone: (702) 270-0300

### Women's Development Center

4020 Pecos McLeod  
Las Vegas, NV 89121  
Phone: (702) 796-7770  
Web: [www.wdclv.org](http://www.wdclv.org)



This brochure provides general information and is not intended to provide advice on any specific question or transaction. Please check with your real estate agent and broker to determine their business practices and procedures. Parties to any real estate transaction should seek competent legal and/or tax counsel to determine the legal, credit and tax consequences of buying or selling a home.

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## What **BUYERS** Need to Know about Short Sales



## Frequently Asked Questions

### What is a short sale?

A short sale occurs when a seller owes more than the fair market value of the home, faces a demonstrable financial hardship, and needs the seller's lender(s) approval to close escrow.

### Why must the seller's lender approve the transaction?

The seller's loan(s) is a lien against the property; in order for title to the property to pass to the buyer, that lien must be satisfied. Therefore, getting the seller's lender(s) to accept less than it is owed is a critical step in a short sale. For the seller's lender(s) to accept a short sale – and therefore less than what's owed on the loan(s) – the seller has to demonstrate a financial hardship and inability to pay back the full amount of the loan(s).

### What happens after my offer is written?

The offer will be presented to the seller, and if the seller wants to accept the offer, you may receive a counteroffer or addendum containing "contingency" language. That is, the seller is willing to accept the offer, but the deal will not be final until the seller's lender(s) approves of the transaction. Then, the seller's agent will submit the signed contract, including any counteroffers and addenda, to the seller's lender(s) along with other documents that the lender(s) may require.



### How long will the process take?

It depends on the seller's lender's workload and requirements. Buyers who submit an offer on a short sale must be prepared to wait at least two to three months for the seller's lender(s) to approve the transaction. Remember that after the seller's lender(s) approves the transaction, other contingencies may have to be met (home inspections, buyer's loan qualifications) before the transaction actually closes. The seller's lender(s) approval is only one piece of the puzzle.

### Why does it take so long?

Lenders are flooded with short sale requests. Multiply that by the amount of paperwork required to process and approve a short sale and you have a backlog. No one, including the Brokers and Agents involved in the transaction, can control the seller's lender's approval.

### Will the house stay on the market?

If the property is listed in the Multiple Listing Service (MLS), it will be placed in "Contingent" status, meaning that a purchase agreement has been executed, but the deal is awaiting short sale approval. As a practical matter, listings that are in contingent status come up in property searches, and it is possible that another buyer will see the house and make an offer. The seller's agent will be required by Nevada law to present other offers.

### Will I have to pay my broker?

Cooperative compensation for a broker's services is a matter between the seller's broker and your broker. However, your broker may have asked you to sign an Exclusive Buyer's Brokerage Agreement which may include compensation to your broker. You should consult that agreement and talk to your agent or legal counsel about your obligations.