



Through a networking partnership with Family Services Inc., NeighborWorks® America, the Federal Reserve and the South Carolina Association of Community Development Corporations, the South Carolina Foreclosure Task Force assists homeowners in taking steps to avoid foreclosure. The statewide network of nonprofit agencies provides default counseling and foreclosure intervention programs free-of-charge to residents of South Carolina.

For foreclosure counseling call

**1-888-320-0350**

or [www.ForeclosureHelpforSC.org](http://www.ForeclosureHelpforSC.org)

## Contact Us

*For more information about short sale and other options to avoid foreclosure contact:*

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HUD-Approved Counseling Agency

# Short Sale

*An Alternative to Foreclosure*



## What is a short sale?

A short sale occurs when a property is sold at a loss because the mortgage lender agrees to accept an offer that is less than what is owed on the property. Once the lender receives the agreed amount, they will release the lien on the property. A short sale is typically viewed more positive than a foreclosure on a credit report and allows the seller to regain homeownership in the future. Not all lenders will accept short sales and the terms of which they will accept them may vary from lender to lender. Before agreeing to a short sale, the seller should understand the terms of the lender.

### Why is there so much talk about short sales now?

**Short sales have always been an option for sellers, but recent market conditions have led to an increase in short sales and foreclosures. Some of these market conditions are:**

- Adjustable Rate Mortgages (ARM) in a rising-rate market
- Negative amortization loans
- Lending programs including low down payments, low credit scores, stated income loans, no documentation loans, etc.
- Less appreciation or depreciation in most markets compared to a few years ago

### Why would a seller want a short sale?

**Some of the reasons include:**

- The seller is overextended and cannot afford to own the property.
- Foreclosure is a very public and sometimes embarrassing option.
- Continuing to be late on mortgage payments or entering foreclosure can be very damaging to the seller's credit.
- The seller may be forced to move due to a job transfer or losing a job.

### Why do lenders accept short sales?

**Common reasons lenders agree to a short sale:**

- The homeowner's financial position has changed and they cannot afford the property.
- The mortgage is past due.
- New construction in a particular area has hurt the value of existing homes.
- The local real estate market has depreciated in value.
- They want to avoid the cost and time required to foreclose.
- The condition of the property has deteriorated.

### This sounds too good to be true, what's the catch?

If the lender does accept the short sale, there are still financial and credit implications the seller may face. Though the lender may allow a short sale with the seller having no obligations after closing, most lenders require the seller to sign a promissory note to repay the short-fall. The lender may even file a deficiency judgment or claim against the seller to try to recoup their money.

### How long does it take to complete a short sale?

There is no set timeframe on a short sale, but it is not uncommon to see the process take up to 60 days depending on the lender involved.

## Who We Are

*Creating and Restoring Dreams*

### The Homeownership Resource Center

Established in 2003, building and sustaining neighborhoods one homeowner at a time is the vision behind the Homeownership Resource Center (HRC), a HUD and South Carolina State Housing approved housing counseling agency. The HRC is staffed by qualified, professional counselors trained in mortgage default, foreclosure, reverse mortgage and credit counseling with a specialty department for short sales. As part of a nationwide effort to provide relief to homeowners in danger of default, NeighborWorks® America recently awarded the HRC a grant to provide free-of-charge mortgage foreclosure intervention and loss mitigation counseling to residents throughout South Carolina.

### Complete Action Real Estate Services Inc.

Complete Action Real Estate Services Inc. (CARES) is a wholly-owned, for-profit subsidiary of Family Services Inc. Modeled after successful programs in California and Connecticut, the primary focus of CARES is to provide excellent service and expertise in representing homebuyers and sellers in the Tri-county area. CARES agents understand the countless details involved in completing real estate transactions and how the process can sometimes be confusing and overwhelming for clients. While they specialize in assisting the low and moderate-income consumers, CARES is diligent about understanding current market conditions and providing exceptional service to each and every one of its clients.

### What can the Homeownership Resource Center and CARES do for you?

The Homeownership Resource Center and CARES Real Estate Sales have a unique partnership that works in the best interest of the seller. The HRC and CARES team of professionals have extensive experience working together and with other real estate agents and their clients to navigate the complicated and, oftentimes, risky process of short sale. Trained counselors and professional real estate agents all specializing in short sales come together cohesively under one roof to work as an efficient and effective liaison between the homeowner, lender, foreclosure attorney and real estate agents. The end result for the client is the relief from the stress and burden and a successful transition through the foreclosure process.