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Learn To Short Sale A House In FLA

If you live in FLA and you own a property, the chances are that you or someone else in your neighborhood is upside down in equity. The recent huge drop in real estate values has devastated certain markets more than others and Florida has been hurt a lot. If you have to sell your property when you have little to no equity, a short sale is your best bet.

A short payoff sale is when a home is sold for less money than the current amount on the mortgage. To avoid having a seller bring, one can negotiate with a bank to accept less than the lien amount.

To start a short payoff sale you need to contact a [real estate short sale](#) professional. Very few property agents or brokers are true experts at short selling, but there are some out there. You can either have a realtor put your home on the market and have them do the negotiating with the lien holder or have a third party do the negotiating for you.

Whoever it is doing your [short sales in florida](#), they first will contact the bank's loss mitigation dept and submit a third party authorization. Once they have it they should get the requirements from the bank.

It may take some time for the lien holder to process your authorization to release information, typically twenty four to seventy two hours. I sometimes fax it twice by "accident" to avoid the mortgage company from losing it.

After an offer to purchase is received, you will be asked to find a bunch of financial information to be submitted in your short payoff package. Once it is received by the lien holder, they will order a broker's price opinion to get a value of the property.

After a lot of follow up and a little negotiating, hopefully the bank will approve your short sale. If you have to sell your property for less than what the mortgage is, this is what you should do. As difficult as it sounds, it's not. I do it everyday and you will do it too!

Deficiency judgments are when the bank issues a judgment against an owner of a house for the deficient balance or forgiven debt. Contrary to what most think these are few and far between. Mortgage companies usually don't pursue these and in some states they are illegal.

Many lien holders will issue a 1099 for the forgiven debt. This means that they will expect a homeowner to pay federal tax on the forgiven debt. The Mortgage Debt Forgiveness relief Act of 2007 exempts property owner's of a primary residence from paying federal income tax.

It sounds nuts and most people don't even believe it works but banks do accept short sales because it can be a lot cheaper than a foreclosure!

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