



Nick's Notes

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About Nick

- * Practicing Real Estate Law since 1987
- * Received a B.A. degree in Political Science from NIU in 1984 and J.D. from IIT Chicago/Kent College of Law in 1987
- * Member: Illinois Real Estate Lawyer's Association, Illinois State Bar Association, Northwest Suburban Bar Association, Hellenic Bar Association, and Arlington Heights Chamber of Commerce
- * Speaks fluent Greek and conversational Spanish
- * Ran for Illinois State Representative in 2004
- * Married since 1990 and has two sons (ages 12 and 8)
- * Living in Arlington Heights since 1996
- * Parish Council member at St. Nectarios Greek Orthodox Church in Palatine

Short Sales

1. A "short sale" occurs when a lender agrees to take less money than they're owed on their mortgage(s). Needless to say, lenders do not always agree to the amount they're asked to accept.
2. Short sales happen because of declining market value, 100% financing, missed mortgage payments by the seller, or a combination of the above.
3. A short sale is a better option for the seller than "walking away" or a foreclosure judgment because it does far less damage to the seller's credit report. Typically a short sale is reported as "settled for an amount less than what is due". This will cause a dip in the credit score, but will be far better than reporting a foreclosure.
4. Lenders prefer short sales to foreclosure because they are in the business of lending money, not owning real estate. Typically, foreclosure and REO costs to lenders are around \$100,000.00.
5. Most lenders either have a short sale "package" containing the following (or ask the seller to come up with the following): a "hardship letter" from seller/borrower explaining why the short sale is necessary, the two most recent pay stubs, the two most recent bank statements, the two most recent tax returns, a copy of the Contract, and a copy of a proposed Closing Statement or RESPA.

Things to remember

1. Short sales take longer than conventional transactions. It may take 60 to 90 days or longer to complete a short sale transaction.
2. Sellers must be persistent when dealing with the lenders. Working with an experienced attorney who will make frequent calls to the bank helps ensure that the short sale process moves forward.
3. Try to get the lender to waive any "deficiency".