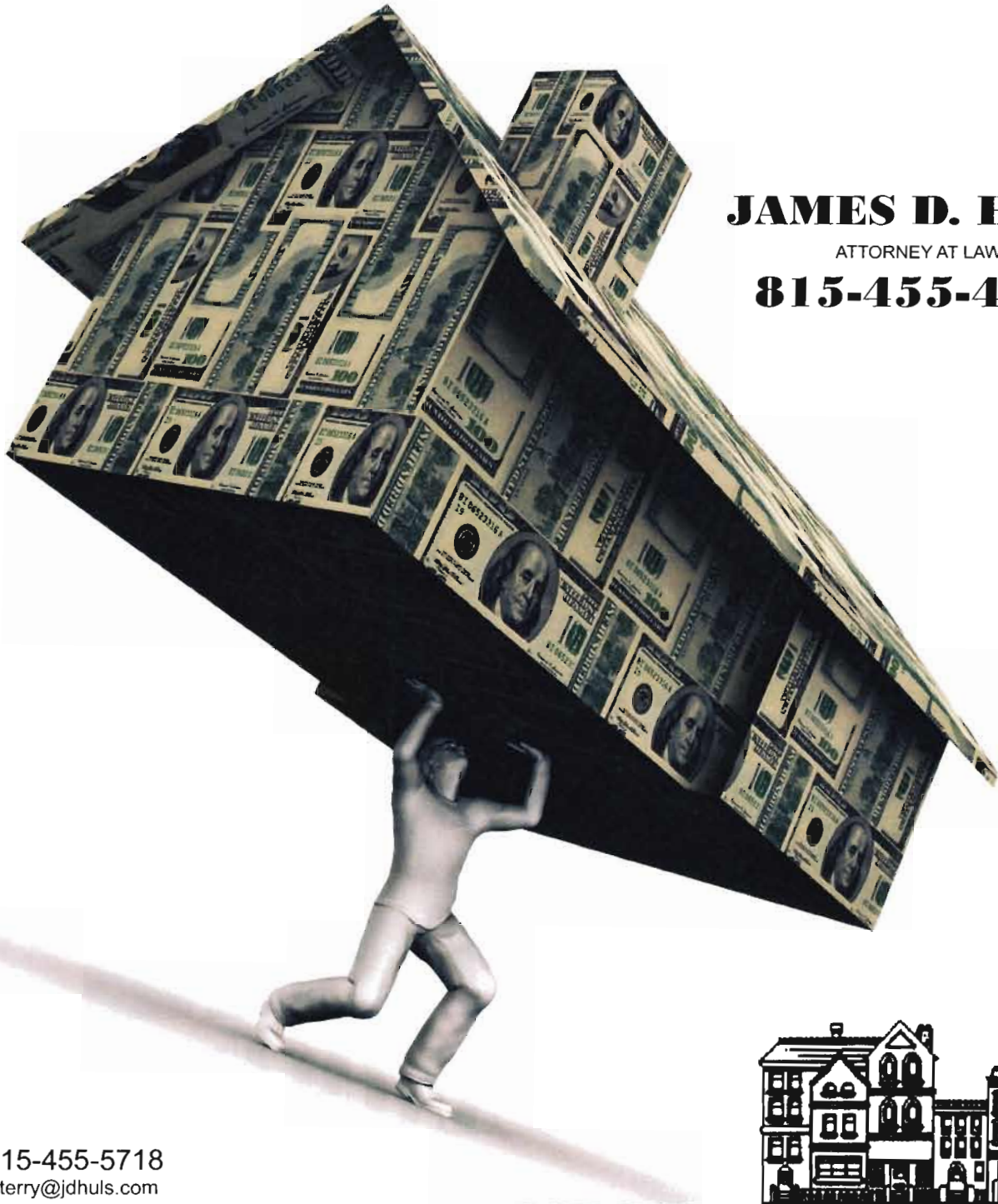


What to Do if You're a Distressed Investment Property Owner.



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LCPIA

Some lenders want cross collateralization.



**BEWARE
OF THIS ANIMAL**






Short ale

A guide from the office of James D. Huls

What is a Short Sale?

A Short Sale is the sale of a home when sales proceeds do not fully pay off the existing loan(s) and lender(s) accepts a discounted payoff to fully satisfy the loan.

-  The homeowner avoids foreclosure and the massive credit damage that goes with it.
-  The transaction can be completed at no cost to the homeowner. The sales costs – commissions, title and escrow fees – are all paid by the lender.
-  An amicable solution to a difficult problem. The property owners win by getting the home sold, getting the loan paid off, and having the ability to move forward without a foreclosure on their credit. The lender wins by saving the added expense of the foreclosure process.

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What's in it for the seller?

1. Less stress, less worry, sold as is.
2. Avoid foreclosure on their credit report
4. May be able to avoid bankruptcy
4. Smooth transition during hard times

What's in it for the lender?

1. Same or more net cash than from Sheriff Sale
2. Less time between old owner mortgage payment to new owner payoff payment
3. Working with our office who knows the language and understands their needs to accomplish a quick decision
4. Home less likely to be destroyed by owners or vandals during foreclosure process
5. Keeping investors happy by transforming probable foreclosures into cash

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What do we do?

We do extensive title and tax research, and we prepare for unexpected expenses so there are no surprises at closing.

We prepare an attractive package and HUD-1 for the lender(s) by using our experience of what lenders will and will not pay.

We call the lenders at least once a week to expedite negotiations.

We use our past experience and current bank contacts to negotiate the best outcome for our clients.

We keep our parties informed of the weekly progress through e-mails and phone calls.

We do all the negotiations with the bank.

We attend the closing and close the file on the seller's behalf (the seller does not have to attend the closing).

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Common misconceptions:

Banks won't pay for closing costs – **False!**

Banks won't pay 105%-110% tax proration– **False**

Banks won't pay closing cost concessions to Buyers– **False!**

Banks won't pay 5 or 6% commission– **False!**

Short sales are a hassle for the Realtor– **False!**

Sheriff sales are set in stone and cannot be postponed – **False!**

It costs the Seller money – **False!**

If there are delinquent property taxes you cannot do a short sale
False!

If there are 2 mortgages, or additional liens, on the property you
cannot do a short sale – **False!**

The bank will not do a short sale on investment properties –
False!

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Illinois Foreclosure Timeline (varies by state):

1. Usually after the third missed payment, the loan is sent to the lender's attorney for foreclosure. The lender's attorney receives the referral package and orders a title report.

30 days later

2. The lender's attorney receives the title report and drafts the Foreclosure Complaint plus supporting documentation such as Summons, Affidavit of Publication, Lis Pendens and Affidavit as to Unknown Heirs and Legatees.

7 days later

3. The Foreclosure Complaint is filed in court and the summons is placed for service. A Lis Pendens is recorded with the Recorder of Deeds.

Within 60 days

4. The Foreclosure Complaint is served on all parties by the Sheriff, a special process server, or by publication in the newspaper.

14 days later

5. The lender's attorney reviews the court file to verify that all parties have been served and sends notice of motion for a court date for entry of the Foreclosure Judgment.

21 days later

6. The Judgment of Foreclosure and Sale is entered in court.

7. The redemption period expires: 7 MONTHS FROM THE DATE OF SERVICE OF THE FORECLOSURE COMPLAINT IF THE HOME IS OCCUPIED BY THE MORTGAGOR; 6 MONTHS FROM THE DATE OF SERVICE IF THE HOME IS NOT OCCUPIED BY THE MORTGAGOR; OR 3 MONTHS FROM THE DATE THE JUDGMENT IS ENTERED, **WHICHEVER IS LATER.**

Within 7 days after the redemption period expires

8. The foreclosure sale occurs

21 days later

9. The foreclosure sale is confirmed by the court.

30 days later

10. Possession of the property by named parties expires.

45 days later

11. Eviction of named parties by the sheriff.