



Is a **SHORT SALE** right for me?

PERHAPS, depending on your financial situation

- **Comprehensive Review** must be done

- **Informed Decision-Making** is critical

- **Legal / Tax Liability Exposure** dictates go-forward strategies and timing





Common Misperceptions

- **There is no legal or tax liability**

- **No viable other options**

- **There's no time to do anything**

- **Bankruptcy is best option**

- **Foreclosure means no legal or tax liability**

- **Doing nothing is better than doing something**

- **My 'hardship' is insufficient**

DEPENDING ON THE SERVICER IT IS NOT MANDATORY THAT THE BORROWER BE MORTGAGE DEFAULTED. THE MORE IMPORTANT ISSUE PIVOTS ON HARDSHIP.





How long is short sale process?



Depends on from what point in time ...

- **As short as 1-2 weeks** or could be 2-4 months

- **I work backwards** from date client wants to move

- **Organized document sharing** is key to timeline

- **Continuity of communication** helps work file laterally through timeline and many moving parts of lender review, transaction, & other dynamics





Are there **TAX** implications?



ALWAYS.

- **Debt forgiveness** = potentially taxable income
- **Difference** between what's owed & house value
- **1099** issued in year following title transfer
- **Exemption from taxation** depends on when property purchased, loan characterization, solvency, who signed promissory note, etc.





Are there **LEGAL** implications?



DEPENDS.....on a number of factors.

- **Did loan arise** on date of purchase or refinance?

- **Is there a junior loan** refinanced after purchase?

- **California law** evolving

- **Vital to consult Attorney** to assess particular situation on loan characterization, solvency, who signed promissory note, etc.





Is **BANKRUPTCY** an option?



PERHAPS

- **An option** when borrower is actually eligible
- **When lender uncooperative** used as leverage
- **When part of over strategy** to improve lifestyle
- **MEANS TEST** - mortgage obligation might be needed in order to qualify for bankruptcy eligibility. Once filed, short sale can follow discharge in order to keep homeowner in property mortgage free.





Is **CREDIT SCORE** impacted?



YES

- **Mortgage default** is significant
- **FICO score** lowers on breach of contract
- **Short sale** lessens impact by several years
- **Participation in short sale** is aimed at reducing legal and tax liability, showing future creditors borrower stayed in game to maximize NET investor proceeds, & to rehabilitate credit quicker.





SHORT SALE **Costs**



Legal & Tax Advice here is mandatory

- **Comprehensive Baseline Review - \$500**

- **Short Sale Submittal & Negotiations**
 - **40%** of listing office commission

 - **Typically share 50/50** by Realtor (RFA-11) & Homeowner w/Retainer

Any additional legal representation rendered by separate fee agreement.





Why I'm Different – Attorney & Broker



REALTOR®



**Strong
Negotiation
Skills &
Superior
Organization**



**Unique Skill Set
&
Professional
Background**



**Ongoing
Training,
Networking,
Achievements**





Testimonials .. what clients say



“Paul was invaluable ... Paul was called in to assist our family in the 11th hour of a declining situation. **Paul was decisive and aggressive in our defense.** He was able to get through to the bank long after we thought any possibility of a short sale was lost, and after some jumping through hoops, he pushed our sale through. His service was invaluable to our small family and I would recommend him with the highest of confidence to anyone facing a challenge with the banks.”

– *Nate, Santa Barbara, CA*

“Paul Stansen is a top notch lawyer. He managed the short sale on my house, and I couldn't have had anyone better. He was always available, kept in constant touch, has all the right contacts and up-to-the-minute knowledge of real estate law. He also understands how difficult this process can be financially and emotionally for his clients and is totally supportive. **I, too, am an attorney and a realtor,** and I believe his knowledge and skill to be the best available.”

– *Real Estate Client, Ventura, CA*





Getting Started

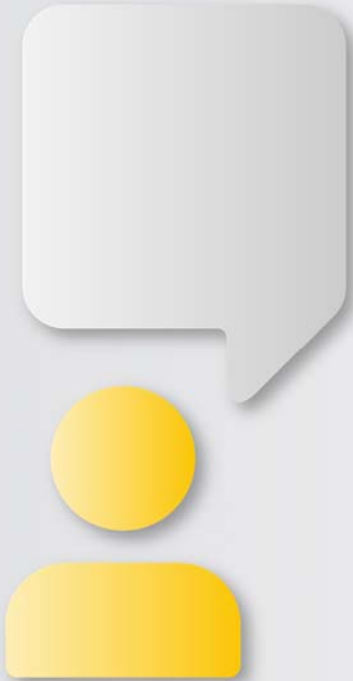


Getting started is easy. It all starts with a simple phone call to **888.529.6632** or email to PAUL@STANSEN.COM. Just provide an address and Attorney Stansen will respond with a **FREE** preliminary review and recommended strategy!





Contact Information



- **Office** - 888.529.6632
- **Fax** - 818.332.4238
- **Email:** Paul@Stansen.com

NOTE: I always check my email and respond quickly **7** days a week.

I answer the phone myself.
Only I work on your file.
There is **NO ONE** between us.
Everything is **confidential**.





Thank you!

Representing your best interests is a big deal to me and I take the task very seriously. The fact that you have considered me to help you with these matters means the world to me!

888.529.6632
Helping clients
make informed decisions...
Attorney
Broker

