

“Put our Creative Energy and.....



...Experience to work for you!”

A Special Report for Prescott, AZ Area Home Owners

“The Expert Way To Short Sale Your Home”

Compliments of The Long Family Team



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Each Keller Williams® Realty office is independently owned and operated





So, while **only you** can be the ultimate judge of what the best way to sell your home is, we didn't want to leave you wondering about your options, and why they really matter. See, with the drastic shift in our real estate landscape, many companies are looking for ways to **exploit the market**, with the almighty dollar as their only motivator! While that doesn't present a problem in and of itself, some of the resulting schemes do. So, we wanted to briefly explain the different ways of short selling a property in hopes that your deeper understanding of each will lead to a more resolute focus on what your best option is. So, while this list is in no way complete, here are the most common forms of short sales with brief explanations, and of course, the pros and cons of each.

1.) The Straight-Forward Short Sale. EXPLANATION: The “straight-forward” short sale process involves listing your property with a real estate agent at a price that ensures your net proceeds will be less than what you owe on your property. This requires your lender's approval of any offer you sign. Typically, a real estate agent or specialized third party negotiator will handle the negotiations of the short sale with your lender once a purchase contract is obtained on your home. The negotiations with a lender will typically take between 3 and 5 months to obtain an acceptance, counter offer, or rejection by your lender.

PROS: The benefit of a straight-forward short sale are simple. It can postpone the foreclosure on your property, can help limit the damage to your credit when successful, and can make your transition to another home more predictable and manageable.

CONS: The major downsides of a “straight-forward” short sale are.....they are typically very lengthy (and frustrating), they are very unpredictable, they have a very high failure rate (due to lack of expertise of negotiating entity & lack of communication/ having anything to report to buyer) and are losing viability as a credible option.

2.) The “A” to “B” to “C” Short Sale. EXPLANATION: OK, so excuse our real estate jargon. And, excuse our abbreviated explanation of this version of a short sale, as there are **MANY** different versions of this one short sale type. And really, it is most often not a short sale at all, although it is typically promoted as one by real estate agents! In laymen's terms, an “A” to “B” to “C” short sale transaction is one in which an “investor” buyer approaches a homeowner and places some form of purchase contract on the property (typically an option contract) where the buyer has the “option” to buy the home at a pre-determined amount should they successfully negotiate with the owner's lender. The investor, in-turn, lists the home for sale on the open market with a real estate agent. Simultaneously, they begin negotiations with the owner's lender to agree on a price that will give them an acceptable profit margin. So, let's use some real numbers to make sense of this option as it can be very complex and confusing. Let's assume investor Bill places an option contract on owner Maggie's home for \$100,000. Investor Bill simultaneously lists the home for sale with a real estate agent for \$140,000 (an option contract gives the investor “ownership interest” so they can legally list the home for sale). Simultaneously, investor Bill opens



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Negotiations and presents HIS offer of \$100,000 to the lender for approval. Fast-forward twelve to sixteen weeks, and let's assume an offer comes in on the home for \$125,000 (remember, investor Bill has it listed for \$140,000). Lets also assume that investor Bill has just received a reply from the owner Maggie's lender indicating they will accept \$115,000 for the home. So, in order to make a decent profit spread on the transaction, investor Bill counters the buyer who offered \$125,000 back at \$135,000 (\$20,000 higher than what he has approval to buy it for). After his fees, investor Bill stands to profit around \$12,000. So, the buyer accepts his counter offer, and they open escrow (yes, two simultaneous escrows). Typically, there will be a double close where investor Bill closes on his transaction (actually purchasing the home from owner Maggie), and then closes within hours or days with the buyer who agreed to pay \$135,000. So, Bill only owns the home for a few hours or days typically, and has very little risk on the transaction.

PROS: The benefits of this version of a short sale are similar to a straight-forward short sale with a few exceptions. The “A” to “B” to “C” version typically means shorter waiting periods for the ultimate buyer of the property as the lender negotiations typically start long before the buyer ever sees the home, meaning they get a quicker decision once they do offer.

CONS: There are numerous major downsides of an “A” to “B” to “C” short sale. For starters, you add another party to an already very muddled process who commonly has “ownership interest” in the property. This means you now have 4 parties evaluating the value of the transaction and how it applies to them instead of 3 in a typical short sale. Additionally, there is a “mark-up” on the price of what the lender is willing to allow the home to be sold for to allow for the investor to profit. Other typical complications include the confusion by the ultimate buyer over their relationship in the transaction as their purchase is NOT a short sale, and once they come to understand the “mark-up”, they sometimes take issue and loose enthusiasm resulting in cancelled escrows. Ultimately, it is believed by many, that there may be disclosure liabilities in this type of a sale, as investors don't always disclose to the lender their intention of “flipping” the property and they are representing to the lender that the home is worth (in the case of investor Bill above) \$100,000 - \$115,000 when they in fact have a contract on the property for \$135,000. Many attorneys believe there is major liability due to this lack of disclosure.

3.) The “Expert” Short Sale Method: Okay, okay, so we are selflessly billing this method as the no-brainer short sale method, but that's because we believe it *really is* the no-brainer way to do a short sale with the assistance of The Long Family Team! Why do we call it the “Expert” method? Well, it's simple. Every representative in the transaction is truly an “Expert” in their capacity. What does that exactly mean you might ask? Well, let's take for example, a standard short sale process where you frequently have real estate agents advising clients and representing clients in negotiations with their lender. It might not surprise you to find out that the **VAST MAJORITY** of real estate agents have no business filling these roles as they are nothing near an “expert” in either capacity! So, the obvious alternative is to provide our clients with real EXPERTS **at no additional cost!** Lets take a closer look.



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Our “Expert” process starts with a **no-cost**, “Expert” property valuation by The Long Family Team along with a brief questionnaire to determine your property’s value as well as your financial standing with the property. Next, we connect you with an “Expert” attorney group that specializes in Mortgage Mediation for a **no cost** (yes, that means FREE) consultation to explain your options. If it is determined that a short sale is the best course of action and you decide to list your property as a short sale, we strongly recommend that you retain the attorney to represent you throughout the process (which they do for a very reasonable flat fee).

At this point, we extend a very special offer to you. Are you sitting down? **While most companies charge you large sums of money for a negotiator to represent you, we are offering to hire an “Expert” short sale negotiator as part of our team to negotiate for you!** Here’s how it works. We “co-list” your property along with a short sale “Expert” negotiating team that has successfully negotiated over 400 short sale closings to date, that not only give you a team of licensed REALTORS who specialize in negotiating short sales, but who also help promote your listing as we jointly solicit offers. **So, what does this added “Expert” representation cost you? Not a dime!** In fact, we are so confident in our “Expert” system, we willingly give up HALF of our commission to make it happen! That’s right! We give our co-listing team half of our commission in order to ensure clients of The Long Family Team receive only the finest representation throughout the process! Besides all of the truly “Expert” representation, we have developed the finest procedures and protocols to make the process as smooth and quick as possible. Among other things, we require that all buyers deposit earnest money in escrow to be non-refundable for 60 days to give our negotiating team an excellent chance of providing satisfactory progress before the buyer cancels (**which solves a HUGE problem with traditional short sales**; our co-listing team communicates directly with the buyer throughout the process to ensure they know exactly where the process is at, helping tie them to the deal; we place your property “pending taking backups” in the MLS to give the buyer piece of mind that their position as the first-position buyer of your property is secure, and numerous other (non-traditional) techniques that help ensure the stability and success of the sale of your property!

So, don’t waste another moment! Get the ball rolling on knowing your home’s value, where you stand, and what the best options are for you! Call us today at (928) 237-1908. You will also enjoy our special report, [“Mortgage Problems? Understand Your Options” which you can download here](#). But most importantly, call us today and stop wasting valuable time! We are here to help, and can’t wait to start making your life easier, more predictable, and help look out for your best interests as we put our network of “EXPERTS” to work for you!

SPECIAL NOTE: The term “Expert” is meant to define a professional individual who is excellent at what they do, working in their primary capacity and area of expertise, and looking out for your best interests. **If you want only “Experts” representing you, then call us right away! We’re here to help! (928) 237-1908**



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