

# SHORT SALE SERVICES

A short sale happens when a lender agrees to take less than the amount that is owed on a piece of property. The benefit of a short sale occurs when your net proceeds from a short sale are insufficient to cover your loan balance, but the lender agrees to take a lesser amount. A successful short sale includes the lender forgiving any remaining loan balance, clearing you from any future contractual obligations to the lender. **Coralis Realty** provides specialized short sale services and it has industry leading expertise with the **Home Affordable Foreclosure Alternatives (HAFA) program**.



The Home Affordable Foreclosures Alternative (HAFA) program complements the Home Affordable Modification (HAMP) Program by making the transition into a short sale easier for the borrower if they do not qualify for a HAMP modification. Furthermore, any borrower not interested in staying in their home through a loan modification is still able to say 'no" (or not respond) to a modification offer from the servicer and proceed directly to HAFA short sale, assuming they are eligible for HAFA ,

## HAFA Eligibility

The basic HAFA eligibility Criteria is as follows:

- The mortgage loan is a first lien mortgage originated on or before Jan 1, 2009;
- The mortgage is delinquent or default is reasonably foreseeable. Loans in foreclosure or bankruptcy are eligible.,

- The current unpaid principal balance is equal or less than \$729,950 (one Unit)

For multi-unit properties, the principal balance amount is higher:

- 2 Units- \$934,200
  - 3 Units- \$1,129,250
  - 4 Units- \$1,403,400
- Corporations, partnerships, LLC or other business entities not eligible;
  - Verified Hardship.

Hardships are to be verified and are itemized on the Request for Mortgage Assistance (RMA) and/or Hardship Affidavit. In the Affidavit, the borrower attests that he/she is unable to continue making full mortgage payments due to a number of reasons that includes, but it is not limited to:

- A reduction in or loss of income that was supporting the mortgage
- An increase in other expenses;
- Monthly debt payments are excessive and borrower overextended;
- Cash reserves, including all liquid assets, insufficient to pay monthly mortgage payment;
- A change in household financial circumstances; and/or
- Unemployment

Recent changes in eligibility requirements have created the opportunity for the servicers to re-evaluate borrowers determined to be ineligible for HAFA due to removal of the debt-to-income ratio requirement, occupancy and rental properties. If you need further information, please [contact us at \(408\) 227-7007](tel:4082277007)