

SOUND OFF *Marlene Marrucco Recchia*

What is the difference between a short sale and a foreclosed home?

In today's real estate marketplace, homes fall under many categories. It is very important to understand the status of a home you may be considering to purchase.

If the length of time to pass title or close on the home is important to you, then a buyer may only wish to consider homes owned by an owner with no encumbrances.

Here are some other options:

Short Sale Properties: In a short sale, the owner owes more than the market value of the property and may or may not be



in the foreclosure process. The lender needs to approve the sale. This process may make for a longer close, depending on the lender.

Pre-Foreclosed Properties: If an owner is greater than 90 days late on payments and the lender has started the foreclosure process, there could be notice of an auction sale. In an auction sale, the seller could not come up with the monies that were in arrears, so the bank auctions the property to the highest bidder. In pre-foreclosures and short sales, the owner might not be so willing and ready to move. Time might be needed and the courts may have to get involved.

Foreclosures: These properties are bank owned properties or

real estate owned properties. Depending on the bank, this process may be quicker once the bank has approved the sale.

All of these above properties are listed with Realtors, and a buyer can get a mortgage on a short sale or foreclosure.

Auctions come with some risk. A buyer must pay cash in most cases. A buyer assumes all liens and any other mortgages tied to the property. It is most important to research everything at the town or city records that the property is located in, in advance of the auction. In short, "caveat emptor," or "Let

the Buyer Beware."

If you have patience and time, short sales and foreclosures are homes you can consider. Just know up front you may wait months to hear from the bank, and when you do, the bank might say no.

It is most important to entrust the services of a qualified experienced Realtor and attorney to help you navigate the home buying process.

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