



Title Tip



The “Short Sale” Transaction

What is a “Short Sale?”

A short sale occurs when a lender agrees to forgive the debt of the mortgage that is higher than the value of the home, provided that there is a buyer willing to purchase the property. For example, if a homeowner owes \$300,000 to the mortgage lender, but the home is only worth \$290,000 due to the market, the homeowner would request that the lender accept \$10,000 less to payoff the loan.

Why does the preliminary title require constant updating during a “short sale transaction?”

When a homeowner feels that keeping their home is no longer financially feasible, it is likely that they are struggling to meet other financial obligations as well and could have additional delinquencies. During a short sale transaction, it is important that preliminary title is constantly updated so that any liens or judgments that remain outstanding are caught and dealt with in a timely manner.

Contact us!

Rainier Title Customer Service: 1.866.333.2626

One Focus...Your Success!